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PRESIDENTS



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Nixon

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**PUBLIC PAPERS OF THE PRESIDENTS
OF THE UNITED STATES**



PUBLIC PAPERS OF THE PRESIDENTS
OF THE UNITED STATES

Richard Nixon

*Containing the Public Messages, Speeches, and
Statements of the President*

JANUARY 1 TO AUGUST 9, 1974

1974



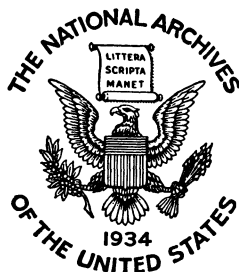
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FOREWORD

THIS IS THE last volume in the series of my Presidential Papers. It covers eight months of a momentous and troubled year during which we were able to make some significant progress towards maintaining peace abroad, and towards building a new peacetime prosperity at home.

During nineteen seventy-four, the problems of energy and the economy were foremost among the Administration's domestic policy concerns and plans. This was only America's second year of peace after a decade of war and half a dozen years of a super-heated wartime economy.

The effects of the oil embargo of 1973 were still being felt, and we had to mobilize the American people behind the goal of energy self-sufficiency. At the same time, we sought to ease the problem by resolving the tensions and misunderstandings which strained our relations with the oil-producing countries abroad.

During this year the few remaining economic controls which had been imposed in 1971 were finally removed.

Our continuing concern about the quality of peacetime life in America can be seen in the State of the Union Message to Congress and in legislative proposals for a national health insurance plan, for veterans' benefits, for the Legacy of Parks program, for mass transportation, manpower training, campaign reform, and for quality education, which were made during the year.

Because of a resolute and even-handed diplomacy we were able to play a central role in easing the heated Arab-Israeli conflict. The documents from the midsummer trip to Egypt, Saudi Arabia, Syria, Jordan, and Israel, represent a significant first step in improving decades of strained U.S.-Arab relations. The second Soviet Summit, at the end of June, also moved us closer to substantial agreement on the whole range of issues concerning our two nations.

Foreword

All the events of this year were played against the ever-darkening background of Watergate. As these documents show, its presence grew as the year unfolded. Effective leadership is a prerequisite for a great people and a great nation, and by August it was clear that whatever its eventual outcome, a protracted trial of the President in the Senate would deprive America of the leadership it needed. It was also clear that my own political base in Congress had become too weak to accomplish the important things that needed to be done in America and in the world during the remaining two years of my Administration. Therefore, on August 9th, in the second year of my second term, I resigned as President of the United States.

In my first Inaugural Address, I described the goals that I would set for my Presidency. Through courage and steadfastness, I said, we could make possible a generation of peace for men and women all around the world. Through determination and dedication, I said, we could effect a new and meaningful rebirth of responsive and responsible government at every level in this country.

Although my Presidency ended before its full term, I believe that the record of these years from 1969–1974 shows that these great goals were not impossible dreams. During these years we made real progress—sometimes slow but always sure—towards achieving them.

Working together, I know, Americans can still make these goals realities.

A handwritten signature in black ink, reading "Richard Nixon". The signature is written in a cursive, flowing style with a long, sweeping underline.

PREFACE

IN THIS VOLUME are gathered most of the public messages and statements of the 37th President of the United States that were released by the White House in 1974. Similar volumes are available covering the Administrations of Presidents Truman, Eisenhower, Kennedy, and Johnson.

The series was begun in 1957 in response to a recommendation of the National Historical Publications Commission. Until then there had been no systematic publication of Presidential papers. An extensive compilation of the messages and papers of the Presidents, covering the period 1789 to 1897, was assembled by James D. Richardson and published under Congressional authority between 1896 and 1899. Since then various private compilations have been issued, but there was no uniform publication comparable to the *Congressional Record* or the *United States Supreme Court Reports*. Many Presidential papers could be found only in mimeographed White House releases or as reported in the press. The National Historical Publications Commission therefore recommended the establishment of an official series in which Presidential writings and utterances of a public nature could be made promptly available.

The Commission's recommendation was incorporated in regulations of the Administrative Committee of the Federal Register issued under section 6 of the Federal Register Act (44 U.S.C. 1506). The Committee's regulations, establishing the series and providing for the coverage of prior years, are reprinted as Appendix F.

CONTENT AND ARRANGEMENT

The text of this book is based on Presidential materials issued during the period as White House releases and on transcripts of news conferences. Original source materials, where available, including tape recordings, have been used to protect against errors in transcription.

Preface

The dates shown at the end of item headings are White House release dates. In instances where the date of the document differs from the release date, that fact is shown in the note immediately following the item. Textnotes, footnotes, and cross references have been supplied where needed for purposes of clarity.

Remarks or addresses were delivered in Washington, D.C., unless otherwise indicated. Similarly, statements, messages, and letters were released at the White House in Washington unless otherwise indicated. All times shown are local time.

Items published in this volume are presented in chronological order, rather than being grouped in classes. Most needs for a classified arrangement are met by the subject index. For example, a reader interested in veto messages sent to Congress during 1974 will find them listed in the index under the heading "Veto messages and memorandums of disapproval."

Appendixes A through E have been provided to deal with special categories of Presidential issuances and actions, as noted below.

White House releases not included as items in this volume and not appearing in later appendixes are listed in Appendix A.

Items of general interest announced by the White House during 1974 and not noted elsewhere in the volume are listed in Appendix B.

Though not all proclamations, Executive orders, and similar documents required by law to be published in the *Federal Register* and *Code of Federal Regulations* were issued as White House releases during 1974, a complete listing of these documents by number and/or subject appears in Appendix C.

Posthumous awards of the Congressional Medal of Honor during 1974 are listed in Appendix D.

The President is required by statute to transmit numerous reports to the Congress. Those transmitted during the period covered by this volume are listed in Appendix E.

This series is under the direction of Fred J. Emery, Director, and Ernest J. Galdi, Deputy Director, of the Office of the Federal Register. Editors of the present volume were Faye Q. Rosser, Kenneth R. Payne, and Carol L. Minor, assisted by other members

Preface

of the Presidential Documents Division. The Government Printing Office developed the typography and design of the volume.

JAMES B. RHOADS
Archivist of the United States

ARTHUR F. SAMPSON
Administrator of General Services
October 1975

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Richard Nixon

1974

1 Statement on the Death of Representative Charles M. Teague of California. *January 1, 1974*

THE death of Charles Teague represents a significant loss to the United States Congress, to his home State of California, and to the Nation he served so long and so well. He will be remembered most especially for his interest in American agriculture and for his many years of devoted service on the House Agriculture Committee. Mrs. Nixon and I were deeply

saddened to hear of his passing, and we extend our sincere sympathy to his family.

NOTE: Representative Teague, 64, died in Santa Paula, Calif. He was the senior Republican member of the House Agriculture Committee.

The President telephoned Representative Teague's son, Mayor Alan Teague of Santa Paula, to express his condolences.

The statement was issued at San Clemente, Calif.

2 Statement on Signing the Regional Rail Reorganization Act of 1973. *January 2, 1974*

AS ONE of my first acts of this new year, I am pleased to sign into law H.R. 9142, the Regional Rail Reorganization Act of 1973. I believe this bill can mark an important turning point in the history of America's railroad industry.

The purpose of the act is to establish special procedures for restructuring the rail system in the Northeast and Midwest regions. There are today seven large railroads in these regions which are in bankruptcy. Some of those railroads, including the huge Penn Central, are threatened with court-ordered liquidation and cessation of operations. This act was necessary because existing laws for the reorganization of railroads are inadequate to the enormous task of providing a satisfactory way to meet these problems.

The rail industry in the Northeast and Midwest faces unusual difficulties because it has not been able to adapt its operational patterns, most of which were laid out 50 or more years ago, to today's economic conditions. This act provides special procedures for planning and financ-

ing a consolidated new rail system, for abandoning totally unnecessary service, and for providing court review of the impact that the transfer of rail properties would have on the creditors of the estates of bankrupt railroads. By combining these complex steps into a single program, the act clears the way for dealing with these problems without upsetting the regional rail transportation service that is so vital to the economy of all regions of the Nation.

In addition to these procedural steps, the act authorizes the issuance of up to \$1.5 billion in federally guaranteed obligations and authorizes more than \$500 million in direct Federal payments that can be used for interim cash assistance to the bankrupt railroads, for protection of displaced rail employees, and for interim local rail service subsidies to ease the impact of the restructuring process. While some of these expenditures are higher than I believe they should be, I feel that overall the act strikes a responsible balance between the burden on the taxpayer

and the gains to the Nation that will flow from a healthier private-sector rail freight system.

When I signed legislation last November authorizing additional funds for rail passenger service, I stated my position that “. . . Federal action to shore up the financial condition of our major Northeast and Midwest railroad freight lines must take the form of a private solution that would impose only a minimal and finite financial burden on the taxpayer.”¹ I have concluded that this act meets these criteria. While there are some troublesome aspects of the legislation, the act represents an appropriate legislative compromise.

I want to commend the Congress for passing such responsible legislation and for the spirit of cooperation with which it approached the long and, at times, tedious development of this very complex bill. In particular, the Senate and House Commerce Committees have devoted long hours of work to this task, with members from all regions of the country treating this legislation as an important national issue and not simply as a Northeast problem.

¹ See 1973 volume, Item 320.

I look now to Secretary of Transportation Brinegar, who has been deeply involved in the development of this bill, to ensure that this legislation is implemented quickly and effectively. While this task will be difficult and will require the continued cooperation of all concerned, I am confident that the joint efforts of the public and private sectors can and will make this legislation work effectively.

In the years ahead, with the added pressures brought on by the energy crisis, we must press hard to rebuild and strengthen our entire nationwide rail freight system. This effort will require fundamental changes in the regulatory environment and stepped-up capital improvement and modernization programs. To address these issues, I plan to send additional rail legislation to the Congress in the near future, legislation which will deserve the same careful attention and close cooperation which were devoted to H.R. 9142.

NOTE: As enacted, H.R. 9142 is Public Law 93-236 (87 Stat. 985).

The statement was released at San Clemente, Calif.

On the same day, the White House released a fact sheet and the transcript of a news briefing on the act by Secretary of Transportation Claude S. Brinegar.

3 Statement on Signing the Emergency Highway Energy Conservation Act. *January 2, 1974*

I AM pleased to sign into law H.R. 11372, an act aimed principally at helping to reduce gasoline and diesel fuel consumption during the energy crisis.

This legislation will encourage State governments to establish maximum speed limits on their highways of 55 miles per hour. The continued receipt of Federal

highway trust funds by the various States will be conditioned upon the establishment of these speed limits.

I have been gratified and encouraged by the number of States which have already voluntarily reduced their speed limits in accordance with my request. I have also been pleased by the response

of so many Americans to my request that they slow down on the highways even when the speed limits have not officially been lowered. Estimates indicate that we can save nearly 200,000 barrels of fuel a day by observing a national limit of 55 miles per hour.

This bill also will permit the use of highway funds to support the cost of car-pool demonstration projects, which can do so much to reduce the number of automobiles being inefficiently used on congested urban highways. The Department of Transportation is studying methods to improve the effectiveness of car-pooling, and this legislation will require a report to the Congress on this matter by

the Secretary of Transportation.

These steps are just two of many that can and will be taken to help us through this period of acute energy shortages.

With the attitude of cooperation and mutual concern expressed by a wide range of conservation actions by individual Americans, the social and economic impacts of the energy crisis can be minimized and we can look even more confidently to the day when we will become self-sufficient in energy.

NOTE: As enacted, H.R. 11372 is Public Law 93-239 (87 Stat. 1046).

The statement was released at San Clemente, Calif.

4 Statement About the Death of Ambassador Charles E. Bohlen. *January 2, 1974*

I HAVE learned with deep sorrow of the death of Ambassador Charles E. Bohlen. During the course of his nearly 40 years in the Foreign Service, Ambassador Bohlen participated in some of the historic events of this century. The many Presidents and Secretaries of State he served greatly valued his wise counsel, his intimate knowledge of the Soviet Union, and his sure grasp of world affairs. As Ambassador in such diverse posts as Moscow, Manila, and Paris, he rendered outstanding service to his country and earned the

loyalty and affection of his colleagues. His death deprives the Nation of one of our most distinguished diplomats and a truly outstanding public servant. Mrs. Nixon joins me in extending our deepest sympathy to his family.

NOTE: Ambassador Bohlen, 69, died in Washington, D.C., on January 1, 1974. He served as United States Ambassador to the Soviet Union from 1953 to 1957, the Philippines from 1957 to 1959, and France from 1962 to 1968.

The statement was issued at San Clemente, Calif.

5 Statement About Signing a Bill To Increase Social Security Benefits. *January 3, 1974*

I HAVE signed into law H.R. 11333, an extremely important, far-reaching measure. This new law will raise social security benefits for nearly 30 million Americans and will bring increased benefits to

some 3.4 million aged, blind, and disabled persons who have started receiving new supplemental security income benefits this week.

Just 6 months ago, I signed legislation

which would have increased social security benefits almost 6 percent by next July to meet the rising cost of living. The bill I sign today will replace that increase in order to reflect more closely the rise in the cost of living since the last social security increase took effect in September of 1972.

The 11 percent increase provided by the new law will be accomplished in two steps. The first increase of 7 percent will begin in April of 1974, and a second increase of 4 percent will begin this coming July.

With these increases, social security benefits will have risen by 68.5 percent since this Administration took office nearly 5 years ago.

Protection against inflation for the aged, blind, and disabled is another very major consequence of this new law. These especially deserving people were transferred from the previous Federal-State public assistance program to the new Federal supplemental security income program on January 1. The bill I sign today will move up the benefit increase already scheduled to take effect for these recipients from July to January of 1974.

I am greatly pleased that many millions of Americans will enjoy an improved financial situation because of this legislation. To be sure, such gains cannot be made without a price, and in this instance, the increases must be financed largely by an increase in the wage base on which social security payroll taxes are levied.

One provision included in this bill is most unfortunate. It would delay until December 31, 1974, the effective date of the social service regulations recently issued by the Secretary of Health, Education, and Welfare. We in this Administration have worked hard to see that services are concentrated on those who are truly needy, rather than permitting funds to be spent with little regard for genuine need. We have made considerable progress toward this goal, and the new regulations were an important step in this progress. The postponement included in the new law will significantly impede this important thrust and could actually reduce the amount of day care, child care, and other services which can be provided for our poorest citizens.

In considering whether to sign this bill, I have weighed this reservation very carefully, even as I have considered carefully the impact of H.R. 11333 on payroll taxes for the average wage earner. In the end, however, I have been most deeply impressed by what this legislation can do to enhance the financial security of millions of Americans—especially our older citizens. Because I believe this advantage outweighs the disadvantages I have mentioned, I have signed H.R. 11333 into law.

NOTE: As enacted, H.R. 11333, approved December 31, 1973, is Public Law 93-233 (87 Stat. 947).

The statement was released at San Clemente, Calif.

6 Letter of Sympathy to Mrs. Tex Ritter About the Death of Her Husband. *January 3, 1974*

Dear Mrs. Ritter:

It was with a deep sense of sadness that Mrs. Nixon and I learned of the death of your husband and our good friend, Tex. His passing is a great loss to our Nation and I am sure Americans throughout the land join me in expressing our heartfelt sympathy to you and your family.

Few people have captured in song and words the rich heritage of the American spirit as did Tex. With rare compassion and understanding he used his immense talents to tell of the joys and the sorrows, the good times and the sad times which each of us has known as an individual and all of us have shared in common. In his career, both in film and music, and in the conduct of his personal and public life, Tex Ritter set an example of concern and devotion to his fellow citizens which

won him the profound respect of his colleagues and the enduring admiration of fans around the world.

While words have little meaning at this time, Mrs. Nixon and I want you to know that our hearts and prayers are with you. You may be sure that your husband will be remembered with affection and that he will continue to enrich the lives of countless people through his songs about the land he loved so well and so long.

Sincerely,

RICHARD NIXON

[Mrs. Tex Ritter, Nashville, Tennessee]

NOTE: Woodward Maurice "Tex" Ritter, 67, died in Nashville, Tenn., on January 2, 1974. He was a singer of country-western music and also acted in a number of western films.

The text of the letter was released at San Clemente, Calif.

7 Letter to the Chairman of the Senate Select Committee on Presidential Campaign Activities Responding to Subpoenas Requiring Production of Presidential Tape Recordings and Documents. *January 4, 1974*

Dear Mr. Chairman:

This letter is in response to the three subpoenas issued by you as Chairman of the Senate Select Committee on Presidential Campaign Activities and received on my behalf by White House Counsel on December 19, 1973.

These subpoenas call upon the President to produce all of the material in his "custody or possession, or the custody of the Executive Office of the President, or the White House, actual or constructive . . ." which are described in exten-

sive attachments. Only six months ago, your Committee concluded that recordings of five conversations were necessary for your legislative determinations. Now, in one subpoena alone, you list, with widely varying precision, some 492 personal and telephone conversations of the President ranging in time from mid-1971 to late 1973 for which recordings and related documents are sought; and, in addition, in the same subpoena, recordings and related documents are sought for categories of Presidential conversations,

identified only by participants and time spans measured in months and years. A second subpoena seeks production of thirty-seven categories of documents or materials, one of which is "‘President Richard Nixon’s Daily Diary’ for January 1, 1970, to December 19, 1973," a period of approximately four years.

As I stated in my letter to you of July 6, 1973, "Formulation of sound public policy requires that the President and his personal staff be able to communicate among themselves in complete candor, and that their tentative judgements, their exploration of alternatives, and their frank comments on issues and personalities at home and abroad remain confidential." I anticipated that even quite limited, selected disclosures of Presidential recordings and documents "would inevitably result in the attrition, and the eventual destruction, of the indispensable principle of confidentiality of Presidential papers."

To produce the material you now seek would unquestionably destroy any vestige of confidentiality of Presidential communications, thereby irreparably impairing the constitutional functions of the Office of the Presidency. Neither the judiciary nor the Congress could survive a similar power asserted by the Executive Branch to rummage through their files and confidential processes. Under the circumstances, I can only view your subpoena as an overt attempt to intrude into the Executive to a degree that constitutes an unconstitutional usurpation of power.

As you are aware, substantial numbers of materials have been provided to the

Office of the Special Prosecutor for possible use with grand juries. With respect to whatever portions of the materials covered by your subpoena may be relevant to matters now subject to grand jury investigation, and potentially, criminal trials, disclosures to you, and through you to the public, could seriously impair the ability of the Office of the Special Prosecutor to complete its investigations and successfully prosecute the criminal cases which may arise from the grand juries.

Incurring these adverse consequences by complying with your subpoena would, on the other hand, serve no legislative purpose which I can discern.

I recognize that in the current environment, there may be some attempt to distort my position as only an effort to withhold information, but I take this position to protect the Office of the President against incursion by another Branch, which I believe, as have my predecessors in office, is of utmost constitutional importance.

Accordingly, in order to protect the fundamental structure of our government of three separate but equal branches, I must and do respectfully decline to produce the materials called for in your subpoenas.

Sincerely,

RICHARD NIXON

[The Honorable Sam J. Ervin, Jr., Chairman, Select Committee on Presidential Campaign Activities, United States Senate, Washington, D.C. 20510]

NOTE: The text of the letter was released at San Clemente, Calif.

8 Memorandum of Disapproval of a Bill To Amend the Urban Mass Transportation Act of 1964.

January 4, 1974

I REGRET that I cannot approve H.R. 10511, a bill to amend the Urban Mass Transportation Act of 1964. Unfortunately, this bill has evolved so as to become an antitransit measure.

In its favor is the fact that H.R. 10511 would facilitate the use of Urban Mass Transportation monies for the purchase of buses by allowing such equipment to be used for charter services. Unfortunately, however, the bill would leave in effect the prohibition against using buses purchased with Federal-Aid Highway funds in charter activities. By creating different standards for the purchase of buses from the two programs, the bill would discourage the use of highway funds for mass transit purposes. It would thus undermine one of the central achievements of the Federal-Aid Highway Act of 1973, the provision giving greater flexibility to States and communities in meeting their transportation problems. This we cannot afford.

I strongly supported legislation which applied uniformly to both the Federal-Aid Highway program and the Urban Mass Transportation program. The Senate version of the bill provided flexibility, encouraging bus purchases from both of

these funding sources. It is essential that our communities' mass transit companies can use their buses to produce badly needed charter revenues, and I will continue to press for this balanced flexibility.

As we face gasoline shortages and an increasing demand for public transportation, we should do all we can to afford local officials genuine flexibility to use Federal-Aid Highway funds to improve mass transit if they so desire. I am withholding my signature from H.R. 10511 because this legislation would work directly against that objective.

I urge the Congress to act early in the next session to relax the charter prohibition uniformly with respect to both the Federal-Aid Highway program and the Urban Mass Transportation program. If this action is taken promptly, our mass transit systems need not suffer any adverse consequences.

RICHARD NIXON

The White House,

January 3, 1974.

NOTE: The text of the memorandum, dated January 3, 1974, was released on January 4 at San Clemente, Calif.

9 Statement About the Legacy of Parks Program.

January 7, 1974

TODAY I am pleased to announce an important milestone in our Legacy of Parks program. With the addition of 34 properties being made available for State and local parks and recreational purposes,

we have brought to 400 the number of Legacy of Parks properties which have been created in the less than 3 years the program has been in existence.

I am greatly pleased with this record.

As we draw nearer to our Nation's 200th birthday, I believe that the Legacy of Parks program exemplifies the approach that I believe should characterize our Bicentennial activities—combining Federal resources and local initiative to provide a heritage which our descendants will be able to enjoy long into the future.

I also consider the Legacy of Parks program an outstanding example of the New Federalism in action. I hope that future generations will look upon this program as a symbol of the 1970's, a reminder of the major new effort we have

launched to revitalize State and local governments by concentrating resources and decisionmaking authority in those levels of government closest to the people.

All Americans can be proud that the Legacy of Parks program is providing great public benefits while strengthening the bonds of our Federal system.

NOTE: The statement was released at San Clemente, Calif.

On the same day, the White House released an announcement providing additional information on the program as well as a list and description of the 34 parcels of land.

10 Letter to Heads of Government of Major Oil-Consuming Nations Inviting Their Participation in a Meeting on International Energy Problems. *January 10, 1974*

DEVELOPMENTS in the international energy situation have brought consumer and producer nations to an historic crossroad. The world's nations face a fundamental choice that can profoundly affect the structure of international political and economic relations for the remainder of this century.

Today the energy situation threatens to unleash political and economic forces that could cause severe and irreparable damage to the prosperity and stability of the world. Two roads lie before us. We can go our own separate ways, with the prospect of progressive division, the erosion of vital interdependence, and increasing political and economic conflict; or we can work in concert, developing enlightened unity and cooperation, for the benefit of all mankind—producer and consumer countries alike.

It was with these thoughts in mind that I asked Secretary of State Kissinger in his

December speech to the Society of Pilgrims in London to propose establishment of an Energy Action Group and to urge a concerted action program among consumers and producers to meet the world's energy needs in a manner which would satisfy the legitimate interests of both the consuming and producing countries.

As a first step to carry out this concept, I invite (name of country) to a meeting of major industrial consumer nations to be held at the Foreign Minister level on February 11, 1974, or any other convenient date that week. I would like to take this opportunity to invite you to send your representative to such a meeting here in Washington. After I know your views, I plan to send a Special Representative to discuss with your Government the specifics of this meeting, including suggestions on agenda and substance.

Our concept is that the Foreign Ministers meeting would agree on an analysis of

the situation and the work to be done. It would establish a task force drawn from the consuming countries which would formulate a consumer action program. Part of this program would be concerned with new cooperative measures designed to deal with the explosive growth of global energy demand and to accelerate the coordinated development of new energy sources. Another task would be to develop a concerted consumer position for a new era of petroleum consumer-producer relations which would meet the legitimate interests of oil producing countries while assuring the consumer countries adequate supplies at fair and reasonable prices.

In calling for a meeting of the major industrial consumer countries, we are fully conscious that the energy problem is one of vital importance to all consuming countries, particularly those of the developing world whose hope for a better life critically depends on access to energy on reasonable terms. Whereas our immediate concern is to get preparations underway as promptly and effectively as possible, clearly the interests of all consumers, including the developing countries, will have to be represented in an appropriate manner.

A concerted effort of this kind is but a first and essential step toward the establishment of new arrangements for inter-

national energy and related economic matters. To this end, a meeting of consumer and producer representatives would be held within 90 days. I am sending personal messages to the heads of government of the OPEC [Organization of Petroleum Exporting Countries] states to assure that they understand the purpose of the proposed meeting of consumer states.

We face a profound challenge to turn this period of crisis into one of opportunity for constructive and creative cooperation which will be of benefit to all the peoples of the world. I look forward to hearing your reply and comments.

RICHARD NIXON

NOTE: This is the text of identical letters addressed to the heads of government of Canada, the Federal Republic of Germany, France, Italy, Japan, the Netherlands, Norway, and the United Kingdom. An additional paragraph in the letter to German Chancellor Willy Brandt informed him, in his capacity as head of the government then in the presidency of the European Economic Community, that a representative from that organization would be welcome at the meeting. That portion of the letter is printed in the Department of State Bulletin (vol. LXX, p. 123).

The Secretary General of the Organization for Economic Cooperation and Development was also invited to attend the meeting.

The text of the letters, dated January 9, 1974, was released on January 10 at San Clemente, Calif.

11 Letter to Heads of Government of Major Oil-Producing Nations Informing Them of Plans for a Meeting on International Energy Problems. *January 10, 1974*

TODAY I have invited governments of the major oil consuming countries to send representatives to a meeting in Washington on February eleventh. The purpose of

this meeting will be to seek a consensus among the participants, looking toward a meeting of consumers and producers, which would establish new mutually bene-

ficial arrangements for international energy and related economic matters.

Recent developments have emphasized the critical importance of energy to the prosperity and stability of the international economy. Severe disruptions of economic activity and of the world monetary system, whether caused by insufficiency of energy supplies or abrupt price movements could prove disastrous for consumers and producers alike.

Oil importing nations are vitally concerned with mechanisms which will assure adequate supplies at reasonable prices. Oil producing states, in turn, are concerned with arrangements that will assure fair payment for and rational use of their non-renewable resources.

Accordingly, as suggested by Secretary of State Kissinger in his speech in London in December, the United States believes

it is necessary to deal with these matters urgently.

The United States is undertaking this initiative as a constructive and positive step, consistent with the publicly stated views of a number of oil producing nations which have called for a consultative relationship between producers and consumers. It is my hope that the results of the forthcoming meeting will lead to an early joint conference of consumer and producer nations.

RICHARD NIXON

NOTE: This is the text of identical letters addressed to the heads of government of Abu Dhabi, Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, and Venezuela.

The text of the letters, dated January 9, 1974, was released on January 10 at San Clemente, Calif.

12 Statement About the Death of Frederick A. Seaton.

January 17, 1974

I AM deeply saddened by the death of Fred Seaton, a valued friend of more than 20 years. America was enriched by his many years of selfless and dedicated service in a wide range of positions including Secretary of the Interior in the Eisenhower Administration and United States Senator from Nebraska.

Fred Seaton was a son of our Nation's heartland. A distinguished servant of his Government and a newsman and news

publisher, he graced the lives of all who knew him. Mrs. Nixon joins me in extending to his family our most sincere condolences at the loss of this good and gracious man.

NOTE: Mr. Seaton, 64, died in Minneapolis, Minn., on January 16, 1974. He served in the Senate from 1951 to 1953 and was Secretary of the Interior from 1956 to 1961. At the time of his death, he was publisher of the *Hastings Tribune* in Nebraska.

13 Remarks About an Egyptian-Israeli Agreement on Disengagement of Military Forces. *January 17, 1974*

Ladies and gentlemen:

I have an announcement that I am sure will be welcome news, not only to all Americans but to people all over the world. The announcement has to do with the Mideast, and it is being made simultaneously at 3 o'clock Washington time in Cairo and in Jerusalem, as well as in Washington. The announcement is as follows:

In accordance with the decision of the Geneva Conference, the Governments of Egypt and Israel, with the assistance of the Government of the United States, have reached agreement on the disengagement and separation of their military forces. The agreement is scheduled to be signed by the Chiefs of Staff of Egypt and Israel at noon Egypt-Israel time, Friday, January 18, at Kilometer 101 on the Cairo-Suez Road. The Commander of the United Nations Emergency Force, General Siilasvuo, has been asked by the parties to witness the signing.

A brief statement with regard to this announcement, I think, is in order.

First, congratulations should go to President Sadat, to Prime Minister Meir, and their colleagues for the very constructive spirit they have shown in reaching an agreement on the very difficult issues involved which made this announcement possible.

Also, we in the United States can be proud of the role that our Government has played, and particularly the role that has been played by Secretary Kissinger and his colleagues, in working to bring

the parties together so that an agreement could be reached, which we have just read.

The other point that I would make is with regard to the significance of the agreement. In the past generation there have been, as we know, four wars in the Mideast, followed by uneasy truces. This, I would say, is the first significant step toward a permanent peace in the Mideast. I do not understate, by making the statement that I have just made, the difficulties that lie ahead in settling the differences that must be settled before a permanent peace is reached, not only here but between the other countries involved. But this is a very significant step reached directly as a result of negotiations between the two parties and, therefore, has, it seems to me, a great deal of meaning to all of us here in this country and around the world who recognize the importance of having peace in this part of the world.

The other point that I would make is with regard to the role of the United States. Our role has been one of being of assistance to both parties to bring them together, to help to narrow differences, working toward a fair and just settlement for all parties concerned, where every nation in that area will be able to live in peace and also to be secure insofar as its defense is concerned.

Looking to the situation in the world generally, I think that we could probably say that the area of the world that potentially is the one in which the great powers can be brought into confrontation is the

Mideast, that that area more than any other is in that category, as recent events have indicated.

Now, the announcement we have made today is only a first step, but it is a very significant step. It paves the way for more steps which can lead to a permanent peace. And I personally shall see that all negotiations, any efforts which could lead to that permanent peace, not only between Egypt and Israel but between the other countries involved, have the full and com-

plete support of the Government of the United States.

Thank you.

NOTE: The President spoke at 3:04 p.m. in the Briefing Room at the White House. His remarks were broadcast live on nationwide radio and television.

Following the announcement, President Nixon telephoned Prime Minister Golda Meir of Israel and President Anwar el-Sadat of Egypt to express his congratulations on the conclusion of the agreement.

14 Radio Address About the National Energy Crisis. *January 19, 1974*

Good afternoon:

Ten weeks ago, I reported to the Nation on the energy crisis. I asked all Americans to accept some sacrifices in comfort and convenience so that no American would have to suffer real hardship.

Today, I want to report to you on our progress and answer the basic questions that many Americans have asked about this crisis.

On the positive side, I am glad to be able to report that we are making solid progress in facing up to this challenge. There are several reasons for this:

Far more important than anything else is what every American has done voluntarily. It is your response—the actions you take to save energy on a personal, voluntary, day-in, day-out basis—that is now the single most important reason for our success so far.

For the past 7 weeks, we have observed “gasless Sundays” across the country. Your cooperation with this program helped to make it possible for me to announce today that during the month of December, the total consumption of gasoline in the

United States was nearly 9 percent below expectations.

Americans are also responding to the call for lower temperatures at home and at work. A recent report from New England shows that 19,000 homes surveyed there have reduced heating oil consumption by more than 16 percent under last year, and that is after making adjustments for warmer weather.

Utilities are reporting that the consumption of natural gas across the country has been reduced by approximately 6 percent over last year, while the consumption of electricity—in homes, offices, factories, and elsewhere—is down by about 10 percent.

Beyond the progress we have made because of voluntary conservation, we have also been fortunate because the weather in the last quarter of 1973 was warmer than usual, so we did not consume so much for fuel for heating as we expected. Even though the oil embargo continues in the Middle East, we have also received some oil we did not expect at the time the embargo was imposed.

Finally, let me tell you what your Government has been doing to meet this crisis.

A fuel allocation program has been set up so that no area of the Nation is being subjected to undue hardship. We have begun the process of converting oil-burning utilities to the use of coal wherever possible, freeing some 200,000 barrels of oil a day for use in other areas.

At my request, laws governing energy conservation, such as year-round daylight savings time, have been enacted by the Congress and are now in effect. Teams of Federal inspectors have been sent to investigate fuel prices at gasoline stations and truckstops. Where price gouging is discovered, it is being stopped.

Within the Government, where we have a special obligation to set an example, I first directed that energy consumption be cut by at least 7 percent. That goal has now been met, and it has been exceeded. Consumption of energy by the Federal Government has been cut by more than 20 percent under anticipated demands.

These are just some of the steps we have taken to meet the problem head-on, and you can expect more in the future.

Nothing which the Federal Government might do could be successful, however, without the full cooperation of the American people. It is your sacrifice that is making the difference. You deserve the credit.

If this voluntary cooperation continues, I can say confidently to you today that we can prevent hardships this winter and that we can avoid gas rationing this spring. Your Government has a responsibility to prepare for the worst, so that we shall be ready to ration gas is necessary.

But with continued cooperation by

everyone, we all have good reason today to hope for the best, and you can be sure that with your help I will do everything in my power to achieve the goal of avoiding gas rationing.

Now let me turn directly to the tough questions which are now being asked by millions of concerned Americans.

First, will the big oil companies be allowed to make huge profits from the shortage? Will they reap the benefits of your personal sacrifices?

My feelings on this question could not be stronger. The sacrifices made by the American people in the energy crisis must be for the benefit of all the people and not just for the benefit of big business.

Your sacrifices must mean that jobs can be preserved, that schools can stay open, that homes will be heated. They must not mean that a few get rich at the expense and sacrifice of the many.

I recognize, as you do, that the prices of gasoline, heating oil, other petroleum products are rising. Now, these prices are going up because the costs of foreign oil are going up. The nations from which we still import oil have increased their prices from some \$4 billion (\$4) a barrel 5 months ago to as much as \$12 a barrel today. This tripling in costs is passing on to you, the consumer, and that is why prices are rising.

I will do everything I can to hold down the price of foreign oil. Scare stories that the American people will soon be paying a dollar for a gallon of gas are just as ridiculous as the stories that will say that we will be paying a dollar for a loaf of bread. The American people cannot afford to pay such prices, and I can assure you that we will not have to pay them.

At the same time, I pledge to you that I

shall do everything in my power to prevent the big oil companies and other major energy producers from making an unconscionable profit out of this crisis. Too many Americans have sacrificed too much to allow that to happen.

That is why I shall urge the Congress, when it reconvenes on Monday, to act immediately on the windfall profits tax that I requested last month. This tax would require that windfall profits either be turned over to the Government or be invested in the development of new supplies, supplies that will be vitally needed in the years ahead.

Private profiteering at the expense of public sacrifice must never be tolerated in a free country.

Another question many people are asking, to put it bluntly, is whether there is really an energy shortage at all. If so, how serious is it? I am just as interested as you are in getting at the truth in this matter. That is why, when the Congress returns, I will propose legislation requiring the oil companies to provide a full and constant accounting of their inventories, their production, their costs, and their reserves.

This legislation will make it possible for the Federal Government to monitor these supplies independently.

In the meantime, to be sure that the information I am getting is accurate and complete, I have directed the Federal Energy Office to conduct a thorough audit of the records of all the major domestic oil companies. They will have several hundred inspectors in the field. If more inspectors are needed, they will be provided. If the reports are not satisfactory, I shall ask the heads of the major oil companies to meet with me personally in Washington so that I can get the facts I need to make decisions that are right and that are best

for all Americans.

I assure you that I shall not allow the American people to be the victims of a "snow job" in a crisis which affects the jobs, the comfort, and the very way of life of millions of Americans.

I have also directed that an immediate review be made of the international tax structure to ensure that American companies which are developing energy resources abroad are not permitted to avail themselves of special tax advantages abroad. I have also ordered a review of other tax laws affecting companies that produce energy.

Based on the best information I have been able to get, this is my analysis of the energy crisis at this time:

The shortages are genuine, they may become more severe, and they are potentially, therefore, dangerous.

Last year, the United States consumed roughly 18 million barrels of petroleum, in one form or another, every day.

We produce over 11 million barrels a day from our own resources here in this country.

The differences must be made up by imports from foreign producers.

Because of the Mideast oil embargo, however, my chief adviser, Mr. William Simon, in the energy area, now advises that during the first 3 months of 1974, our imports will fall short of our normal demands by 2.7 million barrels a day. That shortfall is the heart of the current emergency.

The economic stress now felt by the United States is having an even stronger impact upon Western Europe, Japan, and many developing countries because they lack the domestic resources we have in this country.

In the long run, the producing nations

will also suffer. We are, therefore, approaching a point where the oil embargo and the increase in prices on the international market is self-defeating for everyone. Clearly, we must have a cooperative, international accommodation on both supplies and prices.

In pursuit of that goal, I have invited the leaders of major energy-consuming nations to send representatives to the United States to discuss these matters. They will convene here in Washington on February 11 to discuss the pricing problem and other matters relating to the current emergency.

But regardless of the success we have in increasing petroleum imports and in stabilizing prices through diplomatic means, we must continue to move forward toward achieving a capacity for self-sufficiency in energy right here at home.

America is a rich, a strong, and a good country. We must set for ourselves this goal: We must never again be caught in a foreign-made crisis where the United States is dependent on any other country, friendly or unfriendly, for the energy we need to produce our jobs, to heat our homes, to furnish our transportation for wherever we want to go.

Late last year, I announced the beginning of Project Independence, a full-scale effort to provide the capacity to meet American energy needs with American energy resources by 1980. As an important part of that project, the head of the Federal Energy Office, William Simon, will mount a major effort this year to accelerate the development of new energy supplies for the future.

Most of the money and the work for Project Independence must come from private enterprise. But the Federal Government also has a vital role to play. It

must be a catalyst for industrial initiative. It must clear away the redtape that lies in the way of expanding our supplies, and it must provide the seed money for research and development.

Many of these Federal responsibilities can only be met with new legislation. That is why, over the next few weeks, I shall submit to the Congress a broad legislative package of energy initiatives and urge it to place these requests at the very top of the Congressional agenda for 1974. If we are to be successful in dealing with our long-term energy needs, the Congress must play its part, and I believe that the Congress, after returning from their districts over the Christmas holidays, will agree that the people want them to play their part along with the Administration.

The burden of energy conservation, of cutbacks and inconvenience, of occasional discomfort, continued concern is not, I can assure you, an artificial one. It is real. During the Second World War, Winston Churchill was once asked why England was fighting Hitler. He answered, "If we stop, you will find out."

If we should choose to believe that our efforts in fighting the energy crisis are unnecessary, if we permit ourselves to slacken our efforts and slide back into the wasteful consumption of energy, then the full force of the energy crisis will be brought home to America in a most devastating fashion, and there will be no longer any question in anyone's mind about the reality of the crisis.

The distance between the winter of 1974 and the springtime of energy independence for the United States remains great. We must proceed with confidence in our ability to do the job. Far more importantly, we must act now, as one people, to do the job that must be done.

With the proud dedication we Americans have always displayed when confronted with great challenges, we can and we will achieve the great goal of Project Independence. Where energy is concerned, we, the American people, shall be

the sole masters of our fate.

NOTE: The President spoke at 12:06 p.m. from a room adjoining the Oval Office at the White House. The address was broadcast live on nationwide radio.

15 Statement About the Death of Lewis L. Strauss.

January 22, 1974

IT FALLS to few men in any generation to open up a totally new chapter in human history. Lewis L. Strauss, as Chairman of the Atomic Energy Commission, was one of those few.

Under his direction, America began the crucial pioneering work of harnessing the atom for peaceful purposes. His vision and his leadership literally helped us to convert the most lethal of swords into the most promising of plowshares.

Lewis Strauss was a businessman of brilliance, a major philanthropist, an out-

standing naval officer, and a superb public servant. But above all, Lewis Strauss was a trailblazer—a patriot who opened up new vistas and a new technology for America and the world.

Mrs. Nixon and I join with all our fellow citizens in mourning the passing of this outstanding American.

NOTE: Mr. Strauss, 77, died in Brandy Station, Va., on January 21, 1974. He was Chairman of the Atomic Energy Commission from 1953 to 1958 and served as Acting Secretary of Commerce from 1958 to 1959.

16 Message to the Congress Transmitting the Cost of Living Council's Quarterly Report on the Economic Stabilization Program. *January 22, 1974*

To the Congress of the United States:

I herewith transmit to the Congress the most recent quarterly report of the Economic Stabilization Program, covering the period July 1, 1973 through September 30, 1973.

The third quarter of 1973 was a time of strong continued growth for the American economy. Our gross national product grew to \$1304 billion, an increase of \$32 billion over the previous quarter, representing a growth rate of 3.4 percent in real terms. Unemployment dropped to 4.8 percent, its eighth consecutive quarterly

decline, as the number of people employed increased by over 450,000. The dollar strengthened internationally, gaining by fully one percent against the trade weighted average for currency of other members of the Organization for Economic Cooperation and Development.

The picture was not as bright as we would have liked in the third quarter as far as inflation was concerned. Consumer prices continued to climb, reflecting increasing worldwide competition for products. A freeze was imposed in mid-June to arrest the inflationary spiral and to

provide time for the development of a more effective system of controls with tighter standards and compliance procedures than those which characterized Phase III. This fourth phase of the Economic Stabilization Program was launched in July. Its introduction was staggered so that any price increases which followed the freeze would be spread over several months.

Phase IV was designed to provide a tough program of controls that would enable this country to return to the free market system as soon as possible. Since its introduction, Phase IV has made admirable progress toward reducing the dangers of inflation, demonstrating that the public and private sectors of our economy can work cooperatively and effectively together to enhance our Nation's economic future.

Unprecedented developments in all

parts of the world have created extraordinary pressures on our economy. We can be proud, however, of the way in which we have responded to these problems. We are proving that a dynamic and resilient people can meet the challenge of inflation without sacrificing the ideal of a free market system. If we continue our recent progress—and if we respond to new challenges, including the current energy shortage, with this same sense of poise and flexibility—then we can look forward with assurance to a prosperous New Year.

RICHARD NIXON

The White House,
January 22, 1974.

NOTE: The report, covering the period July 1 through September 30, 1973, is entitled "Economic Stabilization Program Quarterly Report—Cost of Living Council" (Government Printing Office, 94 pp.).

17 Special Message to the Congress on the Energy Crisis. *January 23, 1974*

To the Congress of the United States:

As the 93rd Congress reconvenes this week, it returns to an agenda that is piled high with vital legislative questions.

America is undergoing a period of rapid change and growth when decisions made in Washington could affect the patterns of our national life for the rest of this century. These decisions demand not only the collective wisdom of our national leadership but also a continuing spirit of cooperation between the executive and legislative branches of our Government. In this first legislative message of 1974, I want to renew my pledge that I stand ready and eager to work with the Members of the Congress in shaping the solu-

tions that are best for America.

In the next few weeks, I will send to the Congress a series of messages requesting swift legislative action in the areas where I feel that progress is most keenly needed. In each of these areas—health, education, transportation, natural resources, and others—these proposals reflect the best efforts of my Administration to solve a wide range of difficult domestic problems.

No single legislative area is more critical or more challenging to us as a people, however, than the subject of this first message to the Congress: The energy crisis. It is because of its importance and because of the urgent need for action that I have chosen to break tradition, outlining

to the Congress my legislative requests in energy before delivering my State of the Union Address.

I first warned of approaching energy shortages in a message to the Congress in 1971—the first energy message ever presented by an American President.¹ In 1973, an embargo was suddenly imposed upon many of our foreign supplies of oil, the crisis broke upon us, and the entire country took the first steps toward coping with the emergency. We have made solid progress since then, but it is clear that our efforts in 1973 were just the beginning. As our first order of business in the new year, therefore, let us resolve that 1974 shall be the year that we build a permanent framework for overcoming the energy crisis.

In the initial portion of this message, I want to report to the Congress on our progress over the last three months. The remainder of the message addresses the legislative program on which I am urging Congressional action in 1974:

—*First*, the proposals that I believe are essential to meet the short-term emergency, including:

- A special energy act that would permit restrictions on the private and public consumption of energy and would temporarily relax certain Clean Air Act requirements for power plants and automotive emissions;
- A windfall profits tax that would prevent private profiteering at the expense of public sacrifice;
- Unemployment insurance to help those who lose their jobs because of the energy crisis;

- And establishment of a Federal Energy Administration.

—*Second*, the legislative proposals that I have previously submitted in order to meet our long-range goal of achieving self-sufficiency in energy, including proposals that would:

- Allow market pricing of new natural gas;
- Allow temporary oil production from the Elk Hills Naval Petroleum Reserve in California;
- Permit surface mining of coal in a manner that is environmentally safe;
- Permit the development of new deep-water port facilities offshore;
- Amend the tax laws regarding drilling investments;
- Modernize the laws regarding mineral leasing on Federal lands;
- And reorganize the executive branch so that it may deal more effectively with energy and natural resource problems.

—*Third*, proposals which are designed to help us achieve self-sufficiency in energy and which I am submitting to the Congress this year for the first time, including proposals that would:

- Eliminate depletion allowances for foreign oil and gas production;
- Accelerate the licensing and construction of nuclear facilities;
- Require labeling of products for energy efficiency;
- And streamline the site selection process for energy facilities.

In addition to these legislative proposals, the Administration is moving forward this year with a series of executive actions and studies relating to our long-term energy needs. The latter are addressed in the last section of the message.

¹ See 1971 volume, Item 195.

I. REPORT ON THE CURRENT EMERGENCY

Last year the United States consumed roughly 18 million barrels of petroleum, in one form or another, every day. This represented about one-half of our total energy consumption. The level of petroleum consumption was also rising, so that we expected demands to reach about 20 million barrels a day in 1974.

While the country is rich in natural resources, our production of petroleum resources is far less than our demands. Last year we were producing approximately 11 million barrels of petroleum a day, and the level of production was declining.

The difference between our demands and our domestic consumption must be made up, of course, by imports from abroad, reductions in demand, or increased domestic production. Even before the embargo on oil in the Middle East, our foreign supplies were barely adequate. Since the embargo, the shortage has become a good deal more serious. The Federal Energy Office has estimated that during the first three months of 1974, our imports will fall short of our normal demands by 2.7 million barrels a day. If the embargo continues, shortages could exceed three million barrels a day during the rest of the year. That shortfall is the major factor in our current emergency.

ENCOURAGING PROGRESS

With the Nation confronting a severe energy shortage, I appealed to the public eleven weeks ago to undertake a major conservation effort on a personal, voluntary basis. My appeal was repeated by

public servants across the land. The Congress acted quickly to pass laws putting the Nation on year-round daylight savings time and reducing the national highway speed limits to no more than 55 miles per hour. The Federal Government began moving swiftly to ensure that fuel supplies were allocated fairly and that conservation measures were undertaken within the Government. Most importantly, the people themselves responded positively, lowering the thermostats in their homes and offices, reducing their consumption of gasoline, cutting back on unnecessary lighting, and taking a number of other steps to save fuel.

Largely because of the favorable public response, I can report to the Congress today that we are making significant progress in conserving energy:

—Total consumption of gasoline in the United States during the month of December was nearly nine percent below expectations.

—Consumption of home heating oil has been reduced. A recent survey of 19,000 homes in New England showed they had reduced heating oil consumption by more than 16 percent under last year, after making adjustments for warmer weather.

—Utilities report that consumption of natural gas across the country has been reduced by approximately 6 percent over last year, while the consumption of electricity is down about 10 percent.

Beyond the progress we have made because of voluntary conservation, we have also been fortunate in two other respects. The weather in the last quarter of 1973 was warmer than usual, so that we did not consume as much fuel for heating as we expected. In addition, the oil embargo

in the Middle East has not yet been totally effective, allowing us to import more oil than we first anticipated.

ACTION AT THE FEDERAL LEVEL

The Federal Government clearly has a major responsibility in helping to overcome the energy crisis. To fulfill that responsibility, several steps have been taken in the last three months:

—A major conservation program has been established and has cut consumption of energy by Federal agencies by more than 20 percent below anticipated demands in the third quarter of 1973.

—A sweeping investigation of fuel prices charged at gasoline stations and truck stops has been launched, putting an end to price gouging wherever it is found.

—A Federal Energy Office has been created to serve as a focal point for energy actions taken by the Government.

—Finally, a fuel allocation program has been set up to assure that no area of the Nation is subjected to undue hardships and to assure that in allocating fuel, the protection of jobs comes ahead of the satisfaction of comforts. As part of this allocation effort, refiners are being encouraged to produce less gasoline and more of the products that are needed in homes and industry, such as heating oil, diesel oil, residual fuel oil, and petrochemical feed-stocks. The Cost of Living Council has issued regulations to encourage the shift away from gasoline production. If necessary, additional steps will be taken to encourage shifts in refinery production.

The allocation program now underway will mean some cutbacks in travel, heating and other end uses of fuel, while uses

which keep our economy operating at a high level will be permitted to remain at or above last year's levels.

Market forces are also at work allocating fuel. Due primarily to huge increases in prices for foreign oil, the price of gasoline has risen by 12 to 15 cents per gallon over last year. This obviously discourages the consumption of gasoline. Heating oil has also shown a comparable rise with similar effect.

There is a limit, however, to the amount of market allocation through higher prices which we will allow. We will not have consumers paying a dollar a gallon for gasoline. We must therefore seek to maximize the production of domestic oil at a price lower than the price of foreign oil. We will also carefully review requests for energy price increases, to ensure that they are genuinely needed.

All of the measures of conservation and allocation have greatly improved the Nation's chances of avoiding hardships this winter and gas rationing this spring. *Gas rationing, with its attendant bureaucracy and cost to the taxpayer, should be only a last resort.* Nevertheless, we are attempting to be prudent and therefore have developed a system of coupon rationing. The system is now on the record for public comment, and will be ready for use this spring should it prove necessary.

The system would provide for transferable coupons for all licensed drivers over 18 years old. The coupons, unlike the World War II coupons, would be freely transferable. Thus those who can economize and use less than their allotment would be given tangible incentive to do so, while those who seriously need larger amounts would be able to buy coupons legally.

The measures of allocation and conservation are, in the very short-run, the only actions which will have an effect in lessening the crisis. However, in the slightly longer term, we can and we are making efforts to increase domestic supplies of petroleum very rapidly.

Increases in supplies of domestic crude oil are necessary not only to assure supplies, but to keep the prices for consumers at a reasonable level. The prices charged by a foreign cartel for crude oil have risen so dramatically that U.S. oil prices are now greatly below the world market price.

To ensure that domestic oil exploration continues and grows, the price of oil from new exploration and development has been removed from Economic Stabilization Act controls. Also, to compensate for increased production costs and to stimulate advanced techniques for recovering oil, we have permitted a \$1 per barrel increase in the cost of petroleum under existing oil contracts.

As a result, domestic oil wells that had been abandoned because they were no longer profitable are being put back into production, and new American oil is now beginning to come into the market. We anticipate additional increases in the oil in the future.

As a greater domestic production fills more of our oil needs, we will be demanding less foreign oil, and the price for foreign oil will not be driven upwards by our demands. Our own domestic production will tend to put a cap on the prices foreign suppliers may charge.

To deal further with the world shortage of oil and its increasingly unrealistic price levels, I have invited major consuming nations to a conference in Washington on February 11. The conference will, I

hope, eventually lead to greater international cooperation in the areas of energy conservation, research, pricing policy, oil exploration, and monetary policy.

II. LEGISLATION TO MEET THE CURRENT EMERGENCY

Although we have made significant progress over the last three months in reducing consumer demands for energy and in allocating fuel supplies, additional legislative measures must be enacted if we are to maintain our momentum. I am therefore asking that the Congress give its highest priority to five proposals which I have previously recommended for dealing with the short-term emergency:

1. SPECIAL ENERGY ACT

The principal purposes of this legislation are to grant the executive branch authority to restrict the public and private consumption of energy and to modify certain Clean Air Act requirements.

During the closing weeks of December, both Houses of Congress labored long and hard on this emergency bill. As presently drafted in the House-Senate conference, the bill is laden with so many extraneous provisions that I would have difficulty signing it. I urge the Congress to pass a basic bill dealing with mandatory conservation, fuel conversion, rationing, and changes to the Clean Air Act. I would also urge that the extraneous provisions be placed in separate legislation where they belong.

2. WINDFALL PROFITS TAX

The solution to the energy crisis must ultimately depend in large measure upon

the response of the public, and their actions will in turn be based upon their recognition that an energy crisis actually exists and that it has not been contrived for the benefit of big business. For weeks, believing that the crisis is genuine, millions of Americans have made sacrifices in their comfort and convenience so that no Americans would have to suffer personal hardships. Those sacrifices are continuing today, and they will be needed in the future. It is up to the leaders of the Nation to ensure that the public trust is not abused.

As President, I am deeply committed to a firm policy: *We must not permit private profiteering at the expense of public sacrifice.* The sacrifices made by the American people must be for the benefit of all the people, not just for the benefit of big business. *In equal measure, we must not permit the big oil companies or any other major domestic energy producers to manipulate the public by withholding information on their energy supplies.* That information must be made available to the public, and it must be accurate and complete.

The windfall profits tax that I outlined last December and am again asking the Congress to pass would serve this policy by preventing major domestic energy producers from making unconscionable profits as a result of the energy crisis. It would exact a tax of up to 85 percent on receipts from sales of crude oil above the ceiling set by the Cost of Living Council in December of 1973.

3. ENERGY-RELATED UNEMPLOYMENT INSURANCE

The energy emergency will undoubtedly result in some dislocation within the econ-

omy. Selected labor market areas may experience unusually large rises in unemployment despite our best efforts to minimize economic disruption. Jobs in those areas may become harder than usual to find. Therefore, as an integral part of the same philosophy which had led me to seek a windfall profits tax that prevents a few people from benefitting unduly from the energy emergency, I will also recommend new unemployment insurance measures to cushion American workers against the shocks of economic adjustment. Last April, I submitted legislation to improve the unemployment insurance program by increasing benefit levels and expanding coverage. I call again for the enactment of those measures. In addition, I will submit unemployment insurance amendments that would, on enactment, extend the duration of benefit entitlement and expand coverage in those labor market areas that experience significant increases in the level of unemployment. These provisions, coupled with the recently enacted Comprehensive Employment and Training Act will provide a solid foundation for the more rapid re-absorption of workers into the Nation's economy.

4. MANDATORY REPORTING OF INFORMATION BY PRIVATE INDUSTRY

The information now provided to the public and to the Government by the energy industry is insufficient for public planning purposes. This is a serious deficiency which has understandably become a matter of intense public interest. To correct it, I will shortly submit legislation requiring major energy producers to provide to the Government a full and constant accounting of their inventories, their production and their reserves. Where required

for national security or competitive purposes, confidentiality of the information will be protected. Most of this data, however, can and will be made available to the public.

To provide a focus for the collection and analysis of this data, I have directed the Federal Energy Office to establish an Energy Information Center. This center will coordinate energy data within the Government and provide the information to the public, the Congress and other Federal agencies.

5. FEDERAL ENERGY ADMINISTRATION

FEA would bring together and significantly expand programs to deal with the current energy emergency. It would also carry out major new activities in energy resource development, energy information and energy conservation. Included within this agency would be the functions of the Offices of Petroleum Allocation, Energy Data and Analysis, Oil and Gas, and Energy Conservation from the Department of the Interior and the Energy Division of the Cost of Living Council.

III. OUR PROGRAM FOR THE FUTURE: PROJECT INDEPENDENCE

Energy demand in the United States will certainly continue to rise. Were domestic oil production to continue to decline and demand continue to grow at over 4 percent annually, as it did before the embargo, imports would increase from 35 percent of U.S. consumption in 1973 to roughly half of U.S. consumption by 1980.

We must also face the fact that when and if the oil embargo ends, the United States will be faced with a different but no less difficult problem. Foreign oil prices

have risen dramatically in recent months. If we were to continue to increase our purchase of foreign oil, there would be a chronic balance of payments outflow which, over time, would create a severe problem in international monetary relations.

Without alternative and competitive sources of energy here at home, we would thus continue to be vulnerable to interruptions of foreign imports and prices could remain at these crippling high levels. Clearly, these conditions are unacceptable.

To overcome this challenge, I announced last November 7 that the United States must embark upon a major effort to achieve self-sufficiency in energy, an effort I called Project Independence. If successful, Project Independence would by 1980 take us to a point where we are no longer dependent to any significant extent upon potentially insecure foreign supplies of energy.

Project Independence entails three essential concurrent tasks.

The first task is to rapidly increase energy supplies—maximizing the production of our oil, gas, coal and shale reserves by using existing technologies and accelerating the introduction of nuclear power. These important efforts should begin to pay off in the next 2 to 3 years. They will provide the major fraction of the increased supplies needed to achieve energy self-sufficiency.

The second task is to conserve energy. We must reduce demand by eliminating non-essential energy use and improving the efficiency of energy utilization. This must be a continuing commitment in the years ahead.

The third task is to develop new technologies through a massive new energy

research and development program that will enable us to remain self-sufficient for years to come.

We cannot accept part of the overall program and ignore the others. Within the Federal sector, success will depend on a wide range of actions by many agencies. As an important part of that effort, the head of the Federal Energy Office, William Simon, will mount a major effort this year to accelerate the development of new energy supplies for the future.

Our strategy for Project Independence is reflected in urgent measures now pending in the Congress as well as many new legislative proposals and administrative actions I now plan to take.

A. LEGISLATION STILL AWAITING CONGRESSIONAL ACTION

Over the past three years, I have submitted a number of legislative proposals that are essential to our pursuit of energy self-sufficiency but are still awaiting final Congressional action. I ask that the 93rd Congress move ahead with these proposals, and I pledge the cooperation of this Administration in working out any differences. These proposals include the following:

Natural Gas Supply Act

The artificially low prices for natural gas created by Government regulations continue to create a double problem: consumers wish to purchase more of this cheap, clean fuel than is available, while suppliers have little incentive to develop it. I again ask the Congress to provide for competitive pricing of newly developed gas supplies in order to encourage new drilling and to direct available gas into the premium uses.

Although my deregulation proposal should not cause a significant rise in consumer prices for natural gas for some years, I recognize that there is a strong desire to provide added insurance that unreasonable price increases do not occur. This insurance can be provided by adding to the Administration's legislative proposal a provision authorizing the Federal Power Commission to establish limits on absolute price increases. We are prepared to work with the Congress on these changes.

Naval Petroleum Reserves

The Nation has vast oil and oil shale reserves which years ago were set aside for national defense purposes by placing them under the control of the Secretary of the Navy. That action was taken at a time when naval petroleum requirements were an especially important share of total national petroleum consumption. Some of these oil reserves, principally those located in Wyoming and California, have been explored and developed to the point where limited production is possible. The largest reserve, located in Alaska, has not been significantly explored or developed and could not be available for production for several years, even in a grave national emergency. I have proposed legislation that would greatly improve the availability of the reserves for future needs and would permit limited production from the Elk Hills Reserve in California to assist in meeting our short-term energy problems.

In accordance with law, the Secretary of the Navy has issued and I have approved a finding that production of oil from Naval Petroleum Reserve #1 (Elk Hills) is necessary for national defense purposes. Approval of the Congress is also

necessary and I have proposed legislation that would give such Congressional approval. It would also provide that funds from the sale or exchange of the oil could be used for further exploration and development of Elk Hills and for exploration of Naval Petroleum Reserve #4 in Alaska. I am pleased that the Senate has already passed this legislation, and I am hopeful that immediate action will now be taken by the House of Representatives.

Mined Area Protection

A Mined Area Protection Act is needed to encourage the development of State programs which permit the mining of coal and other minerals to go forward in a way that is environmentally safe. The absence of clear legislation in this area is inhibiting the development of our coal reserves. The Senate has passed a bill, but it deals only with surface mining of coal rather than all mining and it contains provisions which would actually impede production of coal.

The House Committee on Interior and Insular Affairs is scheduled to take up the matter soon and I am hopeful that it will act favorably on the Administration's proposal.

Deepwater Port Facilities

Even though our policy is to achieve self-sufficiency, we will clearly continue to import oil as long as it is available at reasonable prices. To enable us to import fuel more economically, I have proposed Federal Government licensing of the construction and operation of deepwater port facilities three miles or more at sea on the Outer Continental Shelf. The main use of these facilities would be to import crude oil in ships that are economically and envi-

ronmentally desirable, but are too deep of draft to permit their entry into our port facilities on the East and Gulf Coasts.

This legislation would also eliminate many of the legal uncertainties which now drive private investors away from American waters and to other nations of the Western Hemisphere. The present system only serves to create investments and jobs abroad and raises our costs of imported oil, already high, even further.

Drilling Investment Credit

Last April I proposed that the investment credit provisions of present tax laws be extended to provide a credit for all exploratory drilling for new oil and gas fields. Approval of this provision would provide an essential incentive for new oil and gas exploration. At the same time, I am asking the Congress to eliminate the tax shelter that now exists for wealthy taxpayers who reduce their taxes by taking deductions for investments in oil drilling.

Mineral Leasing Act

The Mineral Leasing Act of 1920 governs the exploration and production of oil, gas, coal, and other minerals on Federal lands while the Mining Act of 1872, governs the exploration and mining for "hard-rock" (gold, silver, copper, etc.) minerals. Both acts have become obsolete. Last February, I proposed a bill that would place all mineral exploration and mining activities on Federal lands under a single Federal leasing system. The bill would assure that the persons who obtain the leases are those who have an interest in early exploration for oil, gas, and other minerals. It would also require that exploration meet the environmental stand-

ards of the Administration's proposed Mined Area Protection Act.

Organizing the Federal Energy Effort

If the Federal Government is to achieve prompt and productive results in the energy field, its many energy programs and resources must be organized in the best possible manner. Toward this end, I have submitted several organizational proposals to the Congress and urged their prompt adoption. One calls for establishment of the Federal Energy Administration as discussed above. The others call for statutory establishment of the following:

(1) *Energy Research and Development Administration:*

This new organization would provide unified leadership and direction for energy technology programs at the Federal level. ERDA would include the research and development as well as the production functions of the Atomic Energy Commission, along with selected energy research and development functions of the Department of the Interior, the National Science Foundation, and the Environmental Protection Agency. Under this proposal, the five-member Atomic Energy Commission would be renamed the Nuclear Energy Commission and would carry out the vital task of licensing and regulating the rapidly growing use of nuclear power.

(2) *Department of Energy and Natural Resources:*

As the longer-run solution to the many interrelated problems in the energy and natural resources area, I have proposed the establishment of this new department. DENR would incorporate most of the responsibilities of the Department of the Interior; the activities of the Forest

Service and certain water resource functions of the Department of Agriculture; the activities of the National Oceanic and Atmospheric Administration of the Department of Commerce; the water resource planning functions of the Corps of Engineers; the gas pipeline safety functions of the Department of Transportation, and the Water Resources Council. Drawn together, these responsibilities would form the basis of a modern department truly capable of providing a much needed balance between the wise utilization and careful conservation of our Nation's precious natural resources.

Because of the energy crisis, I urge that the Congress give priority attention to the creation of FEA and ERDA. Because of its comprehensive scope, DENR may require additional examination by the Congress, but I reaffirm the need for this modern Cabinet department. Once DENR is established, it should incorporate the functions of ERDA and FEA.

B. NEW LEGISLATIVE INITIATIVES

In addition to the legislation now pending before the Congress still further steps must be taken if we are to progress at a proper pace toward self-sufficiency. Within the next several weeks, I will be sending to the Congress a number of legislative proposals to help us take those steps, including:

Changes in Foreign Tax Treatment

U.S. companies that produce oil overseas have been granted the same 22 percent depletion allowance abroad that is granted to U.S. companies producing oil in the United States. Both allowances provide an incentive for oil production.

As we move toward U.S. self-sufficiency

in energy, however, we want to encourage greater development of U.S. energy resources rather than foreign resources. I am therefore asking the Congress to eliminate these foreign depletion allowances, while retaining the depletion allowance for domestic oil production.

Taxes paid to foreign governments by U.S. oil companies drilling abroad have increased dramatically. There is growing concern about the degree to which such increases should be allowed as credits against U.S. tax on other income. Under these circumstances, it is no longer realistic to treat these payments to foreign governments entirely as income taxes creditable against the U.S. tax. Obviously, however, the oil producing countries, like any other country, have the right to impose taxes and some reasonable portion of those taxes should be creditable. I have asked the Treasury Department to prepare proposals which would cause part of these amounts to be designated as a creditable tax and the balance to be allowed solely as a deduction.

Accelerating the Licensing and Construction of Nuclear Facilities

Nuclear power, which lessens our dependence on foreign fuel, is an essential part of our program of achieving energy self-sufficiency. At present, however, it takes 9–10 years to complete the planning, licensing, and construction of nuclear power plants. In order to get vitally needed nuclear power on-line more rapidly, I have directed that steps be taken to reduce the licensing and construction cycle to 5–6 years, without compromising safety and environmental standards.

I will soon transmit a legislative proposal to expedite the completion of

nuclear power plants by separating the approval process for plant sites from the reactor licensing process and by encouraging the use of standardized plant designs. These designs, once approved, would reduce the required licensing review time and would enhance safety. This legislation would also permit the establishment of an inventory of approved sites for nuclear plants.

Efficiency Labels

Energy conservation must play a major role in achieving self-sufficiency, but few of the products we now purchase clearly indicate how much energy they require to operate. To assure that such information is available, I will shortly submit to the Congress legislation requiring that all major appliances and automobiles produced or imported into the United States be clearly labeled to indicate their energy use and energy efficiency.

Energy Facilities Siting

The present multitude of Federal, State, and local approvals required for the construction of energy facilities has caused serious delays in their availability. There is also no provision for advanced approval of sites which will be needed in the future. In addition, the public has often been frustrated because public participation in the site approval process seldom occurs early enough to affect the basic siting decision.

In 1971 I requested legislation to overcome these problems for electrical power plants and transmission lines. I resubmitted similar legislation in February 1973, but the Congress has not acted on my proposal. I have now directed that new legislation be prepared, building upon my earlier proposals but covering

additional critical energy facilities. This legislation will be directed toward:

—advanced approval of adequate sites for energy facilities on a regional basis;

—better coordination of the various approvals now required by all levels of Government;

—and improved long range planning of energy facility requirements.

Changes in the Clean Air Act

The Clean Air Act has provided the basis for major improvements in air quality and we must continue our progress toward even greater improvement. However, during the current energy shortage, it has become clear that some changes in the act are needed to provide greater flexibility in deadlines and other requirements. The special energy legislation now before the Congress would permit temporary relaxation in some requirements applicable to power plants when an adequate supply of clean energy is not available. It would also extend the deadlines for the reduction of emissions from automobiles. I hope the Congress will move quickly to grant authority for temporary relaxation of requirements and freezing the standards for auto emissions—now applicable to 1975 model cars—for two additional years. This latter action will permit auto manufacturers to concentrate greater attention on improving fuel economy while retaining a fixed target for lower emissions. These changes can be made without significantly adverse effect on our progress in improving air quality.

The Congress has also been advised by the Environmental Protection Agency of evidence demonstrating that the reductions of nitrogen oxides from automobiles

as required by the Clean Air Act are unnecessarily stringent and that technology to achieve the reductions is not yet practicable. In addition, the Congress has been advised by the Environmental Protection Agency that deadlines cannot be met for meeting air quality standards in some metropolitan areas without drastically curtailing the use of motor vehicles. For instance, these deadlines would require that motor vehicle usage in Los Angeles be reduced by as much as 87 percent.

An extensive review is now underway within the executive branch of the implications of court decisions which require that EPA act to prevent “significant deterioration” of air quality—a requirement that is not defined in either the law or court decisions. This matter has far-reaching implications for public policy regarding land use as well as air quality. Changes in the law may thus be required to deal with this problem, and we will consult with the Congress as appropriate.

We must continue to assess the impact of actions required by the Clean Air Act so that there will be a basis for sound decisions that provide an appropriate balance among our objectives for environmental quality, economic and social growth, energy supply and national security.

IV. NEW ADMINISTRATIVE ACTIONS AND STUDIES

In addition to preparing the legislative proposals above, I have directed that a number of executive actions be taken and additional legislative studies be made which could help us to succeed with Project Independence. Among these actions are the following:

OUTER CONTINENTAL SHELF
DEVELOPMENT

The undiscovered oil and gas beneath our Outer Continental Shelf can provide a significant portion of the energy necessary to make us self-sufficient. I have already ordered leasing in that area to be stepped up. Today I am directing the Secretary of the Interior to increase the acreage leased on the Outer Continental Shelf to 10 million acres beginning in 1975, more than tripling what had originally been planned. In later years, the amount of acreage to be leased will be based on market needs and on industry's record of performance in exploring and developing leases. In contracting for leases, the Secretary of the Interior is also to ensure that the proper competitive bidding procedures are followed and that environmental safeguards are observed. He will, in addition, set up an inter-agency program for monitoring the environmental aspects of the new leasing program. There will be no decision on leasing on the Outer Continental Shelf in the Atlantic and in the Gulf of Alaska until the Council on Environmental Quality completes its current environmental study of those areas.

ALASKA PIPELINES

In 1973, the Congress passed the Alaskan pipeline bill, allowing the construction of a vitally needed oil pipeline. The Secretary of the Interior plans to issue the construction permit for that pipeline this afternoon, and construction should begin this year.

It has long been clear that while an oil pipeline was needed, it alone would not be enough. In addition to the huge oil

reserves in the North Slope of Alaska, there are also gas reserves there of at least 26 trillion cubic feet—enough to heat 10 million homes for 20 years. Construction of a gas pipeline should thus accompany the construction of the oil pipeline. What is now needed, and what I am directing, is prompt action by the Administration. Interior Secretary Morton expects to receive two competing applications for the gas pipeline in the near future, one proposing construction across Alaska and the other proposing construction across Canada. I have asked the Secretary to consider these proposals carefully but promptly and to deliver a recommendation to me as soon as possible. I have also asked the Secretary to undertake a further study of the need for future oil and gas pipeline capacity and the best routes for new pipelines should they prove necessary.

STIMULATION OF SYNTHETIC FUEL
PRODUCTION

At current rates of consumption, our coal reserves could supply our needs for 300 years while shale oil could satisfy an additional 150 years of demand. However, these resources are not easily recoverable, or usable in a manner that is environmentally acceptable. Therefore, the development of a domestic synthetic fuels industry—the production of oil from shale and the production of gas or oil from coal—can be an important element of our program for reducing our future dependence on energy imports.

The recent bidding for the first commercial oil shale lease indicates strong commercial interest in shale oil development. Five other lease offerings of Federal oil shale lands will be made this

year. Several companies have also announced plans to construct plants for the production of commercially usable gas from coal. Nevertheless, a variety of factors including environmental, economic, technical, and regulatory problems impose constraints on any major increase in the commercial production and industrial use of synthetic fuels. I have therefore asked the Administrator of the Federal Energy Office to head up an inter-agency evaluation of financial or economic incentives or regulatory changes that may be needed to stimulate domestic production.

EVALUATING ENERGY EFFICIENT PRODUCTS

There are now several products on the market which, if given wider use, might help us to use energy more efficiently and could conceivably reduce air pollution. Among them are chemical catalysts and additives, attachments for automobile engines and more efficient heat transfer devices for industrial and home furnaces. Previously, these products have not been commercially profitable because of the low price of fuel. With an increase in fuel prices, however, they have become more attractive. I have therefore directed the Federal Energy Office to collect information on these products and on their energy efficiency. As results are available, we will publicize them and, where appropriate, will purchase the products for use by the Government.

IMPROVING URBAN TRANSPORTATION

It is widely recognized now that the development of better mass transit systems may be one of the key solutions to both our energy and environmental problems.

My budget for fiscal year 1975, which will be sent to the Congress in the next two weeks, gives special priority to the improvement of urban transportation, especially transit bus fleets. In addition, I will soon propose legislation to increase the amount and flexibility of Federal transportation aid which is available to local communities.

ENERGY RESEARCH AND DEVELOPMENT

Nowhere will the need for the combined efforts of industry and Government be greater than in energy research and development. If we are to see the successful culmination of Project Independence, the Federal Government must work in partnership with American industry.

For the last five years, I have provided for a continual expansion of our efforts in energy research and development. Federal funding increased almost 75 percent from \$382 million in fiscal year 1970 to \$672 million in fiscal year 1973 and was then raised to \$1 billion for fiscal year 1974. Last June I announced my commitment to an even more rapid acceleration of this effort through a \$10 billion Federal program over the next five years, and I asked the Chairman of the Atomic Energy Commission to develop recommendations for the expanded program.

Today I am announcing that in fiscal year 1975—the first year of my proposed five year, energy R&D program—total Federal commitment for direct energy research and development will be increased to \$1.8 billion, almost double the level of a year ago. In addition, I will be requesting an increase of \$216 million for essential supporting programs in basic and environmental effects research.

Regardless of short-term fluctuations in

the energy supplies, our Nation must move swiftly and steadily on a course to self-sufficiency. The private sector clearly must provide most of the money and the work for this effort. We must also guard against Government expenditures which merely replace private sector investments. But the Federal Government does have a role to play in supplementing and accelerating private development and in filling major technological gaps where market incentives are lacking. The Federal expenditures which I am announcing today are designed to serve those purposes.

In pursuing our energy R&D program, we must maintain balance. We cannot afford to direct all our efforts to finding long-term solutions while ignoring our immediate problems, nor can we concentrate too strongly on finding short-range solutions. Our program must be structured to provide us with payoffs in the near, middle, and far term.

For the near term—the period before 1985—we must develop advanced technologies in mining and environmental control that will permit greater direct use of our coal reserves. We must speed the widespread introduction of nuclear power. And we must direct work to develop more efficient, energy-consuming devices, for use in both home and industry.

Beyond 1985, we can expect considerable payoffs from our programs in nuclear breeder reactors and in advanced technologies for the production of clean synthetic fuels from coal. By this time, we should also have explored the potential of other resources such as solar and geothermal energy.

For the far term, our programs in nuclear fusion, advanced breeder reactors, hydrogen generation and solar electric

power appear to be the ultimate keys to our energy future.

V. CONCLUSION

Although shortages were long in appearing, the energy crisis itself came suddenly, borne by a tragic war in the Middle East. It was a blow to American pride and prosperity, but it may well turn out to be a fortunate turning point in our history.

We learned, at a stage short of the truly critical, that we had allowed ourselves to become overly dependent upon foreign supplies of a vital good. We saw that the acts of foreign rulers, even far short of military action, could plunge us into an authentic crisis. The Arab oil embargo will temporarily close some gasoline stations, but it has opened our eyes to the short-sighted policy we had been pursuing.

The energy emergency has shown us that we must never again be caught so dependent upon uncertain supplies. It is a lesson the American people must and will take to heart. By 1980, if we move forward with the proposals I have outlined today, I believe we can place ourselves in a position where we can be essentially independent of foreign energy producers.

America has half the world's reserves of coal. It has billions of barrels of oil in the ground, as well as convertible oil shale. It has vast natural gas reserves. We have the world's largest installed nuclear capacity and half the world's hydroelectric plants. This represents a truly enormous store of energy.

The United States also has the largest pool of highly trained scientific talent in the world. Our managerial skills in the private sector are enormous. And our organized facilities for solving technical

problems in universities, businesses, and government are unparalleled.

I have no doubt that the bringing together of these natural and human resources can propel us toward an era of energy independence.

It will take time. But along the way we will assure that no groups of Americans are better off because other groups are suffering. We will assure that the genius of the free enterprise system is maintained

and not destroyed by its response to this crisis.

Years from now, let us look back upon the energy crisis of the 1970s as a time when the American spirit reasserted itself for the lasting benefit of America and the world.

RICHARD NIXON

The White House,
January 23, 1974.

18 Remarks About the Special Message to the Congress on the Energy Crisis. *January 23, 1974*

THE ENERGY CRISIS is now touching the lives of millions of Americans. And just as the people of this country are doing their part to meet this crisis, now it is time for the Federal Government, your Government, to do its part by enacting legislation that will accomplish these goals.

In a meeting with the legislative leaders this morning, I set forth these primary objectives that I consider to be of the highest priority for the Congress as it begins its new session:

—First, we must protect the jobs of American workers.

—Second, we must prevent price gouging when you buy gas for your car and heating oil for your homes.

—Third, we will compel the oil companies and other energy producers to provide the public with complete information on their supplies. And we will prevent them from making windfall profits as a result of the sacrifices that you are making.

Today, I asked the Congress to enact over 15 different legislative measures which will accomplish these goals. In the next few weeks, I will be sending up addi-

tional proposals to get this job done. This legislation is urgently needed to meet the current crisis and to assure that we, the United States, can become self-sufficient in energy by 1980 and not be dependent upon any other country for our energy needs.

For several weeks now, millions of Americans have voluntarily accepted sacrifices in their comfort and convenience so that no American would suffer hardship because of the energy crisis.

It is that sacrifice that has helped us to get through this emergency so far. If that kind of cooperation by millions of Americans continues, it means that we can help to avoid gas rationing this spring.

NOTE: The President spoke at 3:37 p.m. in the Oval Office at the White House. His remarks were filmed for later broadcast on radio and television.

Earlier in the day, the bipartisan Congressional leadership, meeting with the President at the White House, was briefed on the President's energy message by Federal Energy Administrator William E. Simon. On the same day, the White House released a fact sheet and the transcript of a news briefing on the message by Mr. Simon and Frederick W. Hickman, Assistant Secretary of the Treasury for Tax Policy.

On January 22, 1974, the President met separately with Senator Bob Dole of Kansas to discuss energy legislation and with Peter J. Brennan, Secretary of Labor, and Frank E. Fitzsimmons, general president of the International Brotherhood of Teamsters, to discuss the

effects of the energy crisis on the trucking industry. The White House released, on the same day, the transcript of a news briefing on their meeting with the President by Secretary Brennan and Mr. Fitzsimmons.

19 Special Message to the Congress on Education Priorities. *January 24, 1974*

To the Congress of the United States:

The Congress returns to Washington this week at a time when America faces many difficult challenges. Each of them will spark honest differences of opinion and generate spirited debates during the coming year.

But one goal which unites all of our people is to provide each of our children with a sound basic education. No matter what race, faith or family circumstance, each child should have equal access to a good education.

We have made substantial progress toward this goal, but we can maintain that momentum only if we commit ourselves to improve our educational system. During the coming legislative year, there are many proposals which I believe the Congress should enact to improve our educational system. Among the highest priorities which I would urge upon the 93rd Congress are these:

—Consolidating major grant programs for elementary and secondary, vocational and adult education and increasing decision-making authority for State and local education agencies.

—Providing advanced funding so that State and local school authorities can plan their programs with greater certainty—a new and important concept in the financing of education.

—Targeting Federal funds so that students who have the greatest need—the truly disadvantaged—are the major recipients of funds.

—Expanding the grant and loan programs for students faced with the rapidly increasing costs of postsecondary education.

—And increasing support for organizations such as the National Institute of Education, which are searching for better ways to educate more than 60 million students in the United States.

I. A RECORD OF PROGRESS

This Administration has worked hard to expand educational opportunity for every child and we have made substantial progress:

—We have established a new program of Basic Educational Opportunity Grants to further our goal that no qualified student be denied access to postsecondary education for lack of money.

—We have provided special aid for local school districts to help them deal with the problems of desegregation.

—We have created a National Institute of Education to marshal our research skill systematically so that we can better understand how students learn and how they can be taught more effectively.

—We have provided support to develop

new ways of helping children learn to read.

—We have substantially increased support to colleges serving minorities and students from economically disadvantaged backgrounds.

In taking these and other steps over the past five years, we have increased Federal spending for education from \$5.1 billion in fiscal year 1970 to an estimated \$7.6 billion in the budget I will propose next month for fiscal year 1975.

This support has helped enrich the diverse educational system and has contributed greatly to our national strength and vitality.

II. PRINCIPLES FOR THE FUTURE

While real progress has been made, there are additional problems which must be addressed if we are to make the promise of a quality education a reality for all Americans. Americans have never been complacent about their educational system, but today they are increasingly concerned—and with reason.

—Parents of children who are not learning to read know it is becoming more difficult to lead a satisfying and productive life without this basic skill.

—Parents often see their children moving through elementary and high school without acquiring an understanding of what careers are open to them and what skills will enable them to obtain a rewarding job.

—Many families do not see how they will be able to meet the rising costs of their children's college education.

—Teachers who want to try something new or make old methods work better too often have no place to turn for reliable information about what works and why.

—Local school administrators must plan their budgets without knowing, until the last moment, what Federal aid will be available.

We all want to commit our energies to solving these problems and to making our schools better. We must now find ways to focus these energies.

To do so, I believe, we should adhere to five basic principles of constructive action:

—*First, the Federal Government should continue to support national priorities in education without seeking to control and direct State and local responses to those priorities.* Schools which must respond to detailed and elaborate Federal red tape will be hindered in responding to the demands of students, teachers and parents. A concrete application of this principle is the consolidated education grants legislation which the Congress is now considering. I again urge that this legislation be framed to achieve the maximum possible consolidation of funding authorities, so that State and local agencies can use Federal funds to meet national priorities in their own ways.

—*Second, the Federal Government must make it possible for citizens, students, parents and administrators to plan ahead.* The request I will be making in my budget for advanced funding of the consolidated education grants reflects this principle.

—*Third, to the maximum extent possible we should put the important choices in the hands of students and parents themselves.* A concrete example of this principle is the Basic Opportunity grant program which permits students to apply funds toward an education at the school of their choice.

—*Fourth, the Federal Government must play a more responsive role in fund-*

ing research to find out what works in education. My proposal for the establishment of a National Institute of Education in 1970, and the funding for the institute I will recommend in my new budget show how I believe this principle can be carried out.

—*Fifth, we must firmly insist that all Americans have an equal opportunity for education.* The legislation I am supporting, the new budget, and the enforcement of non-discrimination to which I am committed all reflect this principle.

III. ELEMENTARY AND SECONDARY EDUCATION

Traditionally State and local governments have exercised primary responsibility for education in this country. States and localities provide more than 90 percent of the money for elementary and secondary education while the Federal Government provides less than 10 percent. But in the last decade the tail has wagged the dog. Federal laws, rules and regulations have imposed an elaborate set of "do's" and "don'ts." They often prevent State and local agencies from using Federal funds to best meet their needs.

FORWARD FUNDING

As if the Federal red tape were not confusing enough, the Federal funding process has created a situation in which school districts develop future budgets with a diminished degree of confidence or accuracy. School districts, for instance, have been faced with three entirely different allocations of funds just since July of 1973. As one school board member put it: "When we put our budget together, we don't know what we'll get from

the Federal Government, so we *have* to be gamblers." School districts across the Nation will begin putting their annual budgets together next month, but unless we soon enact reforms they will not know how much their Federal funds will be until late fall.

To overcome this deficiency, which has plagued school boards in recent years, I plan to ask for supplemental appropriations for the current fiscal year of \$2.85 billion. The money will be used by schools in the school year beginning this fall. If the Congress acts on this request swiftly, those who run our elementary and secondary schools as well as vocational and adult education programs would for the first time know how much Federal money they would have *before* the school year begins, not several months *after* the year has begun.

The supplemental appropriations request will be formally transmitted to the Congress as soon as acceptable authorizing legislation is enacted. It is therefore important for that authorizing legislation to be passed early this spring, so that we can provide forward funding at the earliest possible date.

CONSOLIDATING FUNDS FOR ELEMENTARY AND SECONDARY EDUCATION

In 1971 I asked the Congress to consolidate and simplify numerous Federal aid programs for education. I again urged this in 1972.

Last year, I proposed this reform under the label of the Better Schools Act. The label itself, unfortunately, became a controversial matter within the Congress. It is not the label that should concern us, however, but the children and the structure of the programs designed to help

them. I am pleased that during the last session of the Congress, the executive branch and the appropriate authorizing committees began to deal more seriously with an improved program structure, and I am persuaded that with hard work and careful thought, a bill acceptable to both branches can result.

The appropriate committees of both Houses have written steps to simplify existing programs for innovation and support services into the measures they are now considering. The Senate Subcommittee on Education has initiated a further consolidation of various discretionary and categorical programs into a special projects authority, with provisions for gifted and talented children. But further consolidation is still needed. I am therefore proposing consolidation of present programs of vocational education and a merger of existing authorities in adult education.

FAIRER DISTRIBUTION OF FUNDS FOR THE DISADVANTAGED

Another issue of continuing concern is the development of a better way to distribute Federal funds for disadvantaged children. The current system of reimbursement often results in school districts being paid for children who are no longer there.

A new formula for distribution of these vital funds must be adopted, targeting the available money on the greatest concentrations of disadvantaged children and on the development of basic skills. That formula should also take into account the differing costs for education in different locales. We must also adopt a definition of poverty which more accurately reflects today's conditions.

AIDING HANDICAPPED CHILDREN

There is growing awareness in the Nation of the special educational needs of handicapped children. In 90 demonstration projects we are seeking to learn how to identify handicapped children earlier and give them the help they need to enter regular school when other children do.

I am now proposing that eight discretionary authorities be consolidated into four broad programs for the education of the handicapped. One of these new programs, Resource Implementation, would help teachers identify learning problems; the Professional Development program would provide teachers with special skills to overcome barriers to learning; Innovation and Development would provide new methods and materials for teaching; and Special Centers and Services would accelerate progress in aiding severely handicapped children.

PHASING OUT IMPACT AID

Another program affecting many school districts throughout the Nation is School Assistance in Federally Affected Areas—aid to districts where Federal installations bring significant enrollment increases. I am proposing 100 percent Federal funding of the program for school districts where enrollment consists of 25 percent or more of children whose parents both live and work on Federal property, and 90 percent funding for school districts where these children comprise less than 25 percent.

In the past we have also funded programs for children whose parents work on Federal property but do not live on Federal installations. Since parents of such children already contribute substantially

to State and local governments to help pay educational costs, I see no reason for all American taxpayers to continue subsidizing this special group of school districts. However, a transition period is needed for districts which have depended heavily on these Federal funds. I will therefore propose that no local school district whose subsidy is being terminated will lose more than 5 percent of its total operating budget in the first year that we phase out the program. It is only fair to give school districts as much notice as possible to plan and conform their budgets to Federal financing policies.

TARGETING AID FOR DESEGREGATION

In coming weeks, I will send to the Congress a proposal for a new project grant program to aid school districts undergoing voluntary or court-ordered desegregation. This program should replace the current Emergency School Aid Act when the act expires this June.

A national formula program is no longer needed to handle this problem. What is needed is a targeted approach to solve specific problems.

As opposed to the national formula now employed under the Emergency School Aid Act, the new project grant program would target desegregation aid to solve specific programs. In addition, we will continue to provide technical assistance to local districts, helping them to meet problems relating to desegregation.

PROVIDING FOR INDIAN CHILDREN

A targeted approach is also needed to deal more effectively with the needs of Indian children. There is a special Federal responsibility to provide educational

services to Indian tribes and communities, and we propose to place emphasis on project grants for this purpose.

BILINGUAL EDUCATION

Because of the great diversity of our Nation, we must also provide special assistance to children of families whose native language is other than English. I ask the Congress to continue support for demonstration projects which help develop better ways to provide bilingual education.

IV. POSTSECONDARY EDUCATION

This Administration is committed to the goal that no qualified student should be denied a college education because of a lack of funds. Today we are in a position to accomplish a major expansion of student opportunities and choice.

An education beyond high school is a major goal of many young Americans today. In recent years, however, the cost of college or other training has threatened to price this dream beyond the means of many families.

Since 1970 I have been urging the Congress to enact and fund student aid programs that would reduce to manageable size the problem of financing higher education for all families.

EXPANDING AID TO NEEDY STUDENTS

In 1972 the Congress responded by enacting the Basic Educational Opportunity Grant program, the primary vehicle for reaching the neediest students. The current program provides for an average grant of only \$260 and limits eligibility to entering freshmen. The program I propose for FY 1975—totaling \$1.3 billion—

would provide a grant of up to \$1,400 depending on need.

Supplementing this Basic Grant program is a Guaranteed Student Loan program designed to increase access to loans. This program is both for needy students receiving Basic Grants, and for students who are not eligible for Basic Grants but who need or wish to spread the costs of postsecondary education over time.

Over the past year, some students who have sought loans have found it difficult or impossible to locate lenders willing to make federally guaranteed loans.

To remedy this problem I have instructed the Department of Health, Education, and Welfare and the Treasury Department to contact the major lending institutions and to request that they reaffirm their commitment to our Nation's educational needs by making adequate funds available for student loans. If, as the progress of this program is reviewed, additional changes appear to be necessary, I will propose them.

The Basic Grant and Guaranteed Student Loan programs, supplemented by the College Work Study program, expand opportunities for postsecondary education. My budget request for these programs would provide more such opportunities than ever before. Building on Basic Grants, students can rely on work, loans, and family resources, plus State, local and private forms of assistance to meet the remainder of their financial needs.

DEVELOPING INSTITUTIONS

I will request funding of the full authorization for the Developing Institutions program—an authorization that is four times the funding level when I took office.

This program helps to strengthen the capabilities of colleges which are serving Black, Spanish-American, and American Indian students as well as students from economically disadvantaged backgrounds—a special concern of my Administration.

V. INNOVATION AND REFORM

NATIONAL INSTITUTE OF EDUCATION

An essential element in our effort to provide every American an equal and increasing opportunity for education is the development and dissemination of alternative educational approaches through research. For too long we threw money at educational problems, feeling that bigger would mean better.

To strengthen support for education research and development, the National Institute of Education was created with strong bipartisan support. The institute is now beginning to provide the leadership in educational research and development that is needed.

In 1975 it will continue to concentrate on several major tasks:

—finding answers to the problems that students have in learning essential skills such as reading and mathematics;

—improving State and local capability to solve the educational problems of their youth;

—increasing the educational benefits to students through improving the productivity of our schools;

—and assisting students to better understand the relationship between the school and the world of work. Through this latter activity, the National Institute of Education has taken on the responsibility to carry out the Career Educa-

tion objectives I set forth in my 1972 message. The institute is developing new ways to introduce young people to various career opportunities and is experimenting with new methods of preparing them to get and keep jobs that pay well and offer opportunities for advancement.

Education research is not a luxury but a necessity if Americans are to get the education they want for their children at a sensible cost. Accordingly, I would like to emphasize most strongly the need for adequate funding of the institute.

FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION

The Fund for the Improvement of Postsecondary Education constitutes another important new Federal initiative to achieve needed innovation and reform. The fund was created to support exemplary activities and new directions which promise to increase the quality, effectiveness, and diversity of postsecondary educational opportunities. The fund is now providing support for the development and demonstration of more effective approaches to college education.

RIGHT TO READ

The Right to Read effort is well on its way to becoming a prime example of the way that a Federal, State and local partnership can achieve positive results. Under this program, we are now on the way toward achieving a 1980 goal of eliminating functional illiteracy among 90 percent of those 16 years and older and 99 percent of the youth of America. I ask the Congress to continue giving this program its full support.

LIBRARY PARTNERSHIP ACT

While I continue to believe that State and local authorities bear the primary responsibility for the maintenance of public libraries, I also believe that the Federal Government has a responsible role to play. One of my new initiatives for 1975 is the Library Partnership Act. This legislation would encourage the establishment of reference and information services on a demonstration basis and could lead to significant improvements in public library services across the United States.

HEAD START

During 1975, the Head Start program will reach 282,000 children on a year-round basis and some 78,000 pre-schoolers in the summer. It will also extend its activities to include handicapped students. My 1975 budget will increase operating funds for this program and will provide funds to ensure that all children participating in Head Start can obtain a nourishing breakfast and lunch.

VI. THE NEED FOR COMMITMENT

The proposals I have outlined above are designed to address the educational challenges of tomorrow. They are designed to enhance the effectiveness of the Federal dollar. They are designed to facilitate the operations of our State and local school systems.

For the necessary reforms and rejuvenation of our schools to occur, however, it will take more than Federal programs and more than Federal money. It will require that each of us commit ourselves, with money, time and attention, to that

process. Only with individual commitment, with the commitment of State and local school administrators and teachers, with the commitment of parents and students, and with the commitment of the Federal Government, can we obtain a

revitalized and rewarding American educational system.

RICHARD NIXON

The White House,
January 24, 1974.

20 Remarks About the Special Message to the Congress on Education Priorities. *January 24, 1974*

THERE IS one goal that unites all Americans. Each of us wants our children to have the very best education that this great Nation can provide. To achieve that goal, I have today asked the Congress to enact a number of significant education initiatives during 1974.

One would provide advanced or forward funding so that school authorities can know a year in advance how much Federal money they will have to spend. No longer would school boards have to gamble on how they would balance their budgets.

Another initiative would target Federal funds so that students with the greatest needs, the truly disadvantaged students, are the major recipients of funds.

A third initiative would expand the grant and loan programs for students faced with rapidly increasing costs of education after high school.

These proposals, along with others that I have sent to the Congress, will ensure the successful development of our greatest natural resource, the children of America.

NOTE: The President spoke at 2:35 p.m. in the Oval Office at the White House. His remarks were filmed for later broadcast on radio and television.

On the same day, the White House released a fact sheet and the transcript of a news briefing on the message by Caspar W. Weinberger, Secretary, and Frank C. Carlucci, Under Secretary, Department of Health, Education, and Welfare.

21 Special Message to the Congress Proposing Veterans Legislation. *January 28, 1974*

To the Congress of the United States:

Yesterday, January 27, 1974, marked the first anniversary of the date on which the United States troops ended hostile action against the enemy in Vietnam and began the long-sought disengagement from the longest war in our Nation's history.

It is particularly fitting that today, a year later, we should focus our attention

on what has been done—and what remains to be done—to repay the debt America owes to those who served.

There are twenty-nine million living American veterans today—men and women who have given military service to their country. Nearly 7 million of them are Vietnam-era veterans. We owe these men and women our best effort in providing them with the benefits that their

service has earned them. Accordingly I will request \$13.6 billion in spending for veterans' benefits and services in my new budget, an increase of \$5.9 billion over the comparable 1969 request.

THE AMERICAN VETERAN TODAY

On the whole, the situation of the American veteran today is a good one. The average veteran has a higher income, more education, and better health than non-veterans of the same age. He or she is a vital, productive member of the civilian community—a national asset in peace as well as in war.

The years since 1969 have marked important progress for the American veteran. Between 1969 and 1975, outlays for veteran pension programs will have increased from \$2.2 billion to \$2.9 billion, covering 2.4 million beneficiaries, while compensation for service-connected disabilities or death will have increased from \$2.7 billion to \$3.9 billion. The benefits we pay to our veterans should continue to reflect the generous appreciation of the American people.

Since 1969, 4.1 million veterans have financed their educations under the GI bill. Of those, 2.7 million are Vietnam-era veterans. The rate at which Vietnam-era veterans have participated in the GI bill training exceeds that of any previous GI bill. At the same time, the number of veterans assisted through guaranteed mortgage loans has increased by 46 percent.

In the last year alone, it was my pleasure to sign into law two major measures benefiting veterans and their dependents. The final form of both pieces of legislation was the result of close cooperation between

the legislative and executive branches, and I wish to take this opportunity to repeat my thanks to the Congressional leaders and committee members who helped us arrive at the desired results.

The Veterans Health Care Expansion Act of 1973 was a landmark measure. It provides major improvements in and expansion of medical and nursing care for veterans and extends treatment benefits to certain dependents of veterans.

The National Cemeteries Act of 1973 consolidated the bulk of veterans cemeteries and set up a National Cemetery System within the Veterans Administration and improved related benefits and services. Based on a study authorized by the act, I intend to submit further proposals for improving the cemetery system.

Improved veteran health care has also taken the form of greater flexibility in treatment and more numerous treatment facilities as evidenced by:

- 16 new outpatient clinics and 663 new specialized medical services;

- Strengthened affiliation of 106 VA hospitals with 89 medical schools; and

- Consolidation of medical regions and the strengthening of regional management to provide faster responses to problems at individual hospitals.

A vigorous program of modernization and construction has also played an important part in improving veterans health care. Ten new or replacement hospitals have already been established and five more replacement hospitals are being designed or are under construction. In the period 1970–75 the ratio of staff to patients in VA hospitals will have been increased by over 30 percent. We have added over 25,000 full time personnel to the medical departments of the veterans

hospitals since 1969, and my budget proposals for fiscal year 1975 will provide for an additional 7,600 medical personnel.

Veterans Administration hospital construction funding in fiscal 1975 will reach an all-time high of \$276 million and, when these funds are brought to bear, the VA will be in the midst of its greatest program of hospital construction in history.

As I look forward to proposing my National Health Insurance plan—to make more and better health care available to all Americans—it will be more than ever important to take the VA's health care system into consideration. It is my strong view that it should continue as a system, under VA, to insure the proper care of eligible veterans. The Veterans Administration now operates the largest civilian medical care system in the world. It is only fitting that it remain one of the best.

NEW INITIATIVES TO PROVIDE FOR OUR VETERANS

Two important Administration initiatives in veterans affairs should receive the attention of the Congress in its coming session.

(1) PENSION REFINEMENTS TO HELP THE NEEDIEST

In the field of pensions, Administration proposals will benefit one million veterans and 1.3 million survivors of veterans in economic need due to age, disability or loss of a breadwinner. Although VA pensions have been increased by 27 percent since 1969, some of the most needy are least provided for under the current structure. Many needy veterans and their wives receive less money from the pension system than they would from welfare and no automatic adjustment is provided for in-

creases in the cost of living. There are other inequities as well.

As I mentioned in my message to the Congress on national legislative goals on September 10, 1973, refinement of the Veterans Administration pension program is necessary. The program has so many problems that it cannot be corrected unless the entire framework of the program is restructured.

I regard the following principles as vital to a realistic and equitable VA pension program, and I will propose legislation to achieve these goals:

—VA pensioners should have some regularized way of receiving cost-of-living adjustments in VA pension payments tied to the automatic increases now available to social security recipients.

—The VA pension program should be structured to assure that additional income flows to the neediest pensioners. This objective would involve raising VA payments to those pensioners who receive less total income than adult welfare recipients under recent amendments to the Social Security Act. In addition, a family's total income should be considered in determining the amount of pension needed.

—Veterans and widows should be treated equally with regard to income and pension payments.

(2) INCREASE IN EDUCATION BENEFITS

The cost of living is also a problem for those veterans now taking advantage of the GI bill to further their training or education. They need additional help if their allowances are to keep pace with inflation. There are 2.1 million current beneficiaries of the GI bill, most of them

Vietnam-era veterans. Payments to each trainee have increased sharply—by 1975 they will be more than double the level of 1969. To help meet the rising cost of living, my budget will request an additional \$200 million to provide an 8 percent increase in education benefits in 1975.

INCREASING PRIVATE EMPLOYMENT OF VETERANS

No group of veterans is more in the minds and hearts of Americans today than those who have recently returned from Vietnam and our Nation's longest war. Beyond the readjustment problems faced by veterans of past wars, this Administration has recognized that the Vietnam-era veteran faces special challenges in re-entering a highly complex and competitive civilian society. We have done our best to help him meet those challenges.

Of particular importance have been our efforts in the field of employment. In 1970, for example, more than a million veterans left the Armed Services and entered the civilian economy. By October of that year, the unemployment rate for Vietnam-era veterans had grown very serious. This led to the launching of the Administration's job placement efforts which have so far helped 2.2 million returning veterans to find jobs. The unemployment rate for Vietnam-era veterans, which once far exceeded that of the general public, was reduced from a high of 11 percent in early 1971 to 4.4 percent by the end of 1973. Both Government and the private sector—through Jobs for Veterans and the National Alliance of Businessmen—played a part in this remarkable success story. We intend to continue these efforts. In fiscal year 1974 our

goal is to place 1.2 million additional veterans in jobs or training programs.

PAYING TRIBUTE TO ALL AMERICAN VETERANS

The tangible benefits extended to our veterans such as medical assistance, education grants and pensions are only one of the ways that America should repay her debts to the men and women who have served her well. We should also accord them a high degree of respect and appreciation in our everyday contacts with them. And we should set aside certain days each year to commemorate their heroic deeds.

In 1974, there should be at least two occasions on which we pay special honor to those who have served in the Vietnam conflict.

One such commemoration was held yesterday, January 27, the first anniversary of the Vietnam ceasefire. I officially proclaimed that day as National MIA Awareness Day. There are still 1,300 Americans missing and unaccounted for in Southeast Asia, and there are more than 1,100 American casualties whose bodies have never been recovered. Their experiences, as well as those of their relatives and loved ones, have been a wrenching sacrifice that deserves special recognition. That is why we set aside a special day dedicated to these Americans and to their families.

In honoring the missing and fallen in the Vietnam conflict, we should also remember the countless others who served and survived that war. Last month I was pleased to sign into law a joint resolution of the Congress authorizing me to proclaim March 29th of this year as "Viet-

nam Veterans Day". It is appropriate that we choose that date—the first anniversary of the return of all of our POWs—as an occasion to honor all of the veterans of the Vietnam era.

We will honor those Vietnam veterans once again later in the year on Veterans Day itself, an observance which gives us the opportunity to pay tribute not only to the seven million who served during the Vietnam era but also to the 22 million other men and women who have proudly worn the American uniform in years before.

For most Americans, Veterans Day is traditionally associated with November 11th of each year. That was the day more than half a century ago when an historic and dramatic ceasefire was achieved in the First World War.

Legislation approved in 1968, however, changed the traditional observance of Veterans Day from November 11 to the fourth Monday of each October. That change, while well intended, has stirred up considerable confusion and not a small amount of resentment. In many places—including the Tomb of the Unknowns in Arlington National Cemetery—there are now dual observances of Veterans Day, while in others, observances are held not in October but on November 11.

Thirty-one State legislatures have now enacted resolutions declaring that within

their jurisdictions November 11th will be officially observed as "Veterans Day". In addition, all of the major veterans organizations have indicated their strong support for returning to the November 11th observance.

In view of the confusion which has arisen and in view especially of the position taken by the veterans themselves, I believe it would be wise to repeal the 1968 change in the Veterans Day observance. I therefore urge the 93rd Congress, as part of its effort to honor our veterans, to enact legislation restoring November 11th as the official date for the entire Nation to commemorate Veterans Day.

As we celebrate Veterans Day this year, let us do so with the hope that the 29 million Americans who have served in our armed forces represent our last generation of veterans and the last of America's wars. May we never forget that we will only be worthy of the blessings of peace and freedom they have won for us for as long as we continue to honor them, and may we do everything we can to repay our boundless debt to them.

RICHARD NIXON

The White House,

January 28, 1974.

NOTE: On the same day, the White House released a fact sheet and the transcript of a news briefing on the message by Administrator of Veterans Affairs Donald E. Johnson.

22 Letter to the Senate Minority Leader About Pending Emergency Energy Legislation. *January 29, 1974*

Dear Hugh:

My conversations with you and other members of the Senate since the beginning of the Second Session have convinced me that the people have made their elected

representatives very much aware of the real concern over the energy shortage. It would be most unfortunate if, through an understandable but misdirected response to this concern, the Senate ap-

proved the conference version of S. 2589, the pending Emergency Energy Act.

The time and opportunity now exist for refining this legislation which was so hastily put together during the closing days of the last Session. We have been able to make do without emergency legislation thus far, and I urge you and your colleagues to take the additional time required for developing a truly responsible product.

You have already been furnished with a listing of thirteen sections of the bill which present difficulties. Some of these provisions have no place in this bill and should be deleted, while others can be modified through the use of reasonable alternatives.

We do not need the Federal Energy Emergency Administration proposed in this bill—the Congress itself is close to providing us with a far better organization through separate legislation.

The subject of windfall profits should be addressed through a rational tax scheme using the normal legislative process. I am confident the Congress will quickly complete the work on a windfall profits tax.

Unemployment cannot be effectively dealt with by a system that seeks to find

a tenuous connection with the energy crisis. Rather, it should be identified and treated swiftly for its own sake. We have an alternative for accomplishing this through a system which would respond in terms of the labor market conditions where the affected individuals work, regardless of the cause of unemployment.

I am already committed to a proposal which will provide both Government and the public with needed information from the oil industry—without the indiscriminate burden of work and the flood of unwieldy data which this bill would produce.

The pending Emergency Energy Act can provide useful authorities in helping resolve the energy emergency now before us, but not without further efforts from you and your colleagues.

I understand there will be a motion to recommit the conference report, and I strongly support such action. Should recommitment take place I pledge the full support and cooperation of the Administration in working with the Congress to produce the result we all desire.

Sincerely,

RICHARD NIXON

[The Honorable Hugh Scott, United States Senate, Washington, D.C. 20510]

23 Letter to the Secretary of Health, Education, and Welfare Expressing Support for Extension of the National Cancer Act of 1971. *January 29, 1974*

Dear Cap:

It has come to my attention that you will appear tomorrow at Senate hearings called to consider the extension of the National Cancer Act of 1971 when it expires on June 30. I want you to know

that I strongly support an extension of this Act with whatever improvements might be made in consultation between the Executive Branch and the Congress.

I continue to have strong and continuing interest in this program. I remain just

as committed to the attack on cancer as I was when I signed the original legislation on December 23, 1971. Our joint efforts with the Congress in this area have provided an excellent example of the ability of the Executive and Legislative Branches to work together in dealing with a major problem.

I have followed progress on the attack on cancer carefully. In addition, I have met with Benno Schmidt and other members of the President's Cancer Panel and have reviewed their report and the report of the National Cancer Advisory Board with great interest. It is my feeling that considerable progress has been made in the attack on cancer in recent years and that there is much hope for additional knowledge that can be developed in the future.

That is why I plan to ask for an additional \$100 million above last year's re-

quest of \$500 million for the expanded attack on cancer in the budget that I will be submitting to the Congress next Monday. I realize that this will result in spending over \$415 million more for this effort next fiscal year than was available the year I took office, but I think the dual goals of an expanded research effort to find the causes of cancer along with more intensive demonstration and education programs to help prevent and control cancer warrant this support.

I hope you will share my strong interest in this program with the members of the Committee and express my appreciation for their past efforts in enacting the National Cancer Act of 1971.

Sincerely,

RICHARD NIXON

[Honorable Caspar Weinberger, Secretary of Health, Education, and Welfare, Washington, D.C.]

24 Statement on the Death of Murray M. Chotiner.

January 30, 1974

I AM profoundly saddened by the death of Murray Chotiner. For more than a quarter of a century, he was an ally in political battles, a valued counselor, and a trusted colleague. But above all, Murray Chotiner was my friend. His friendship never wavered; in periods of adversity it grew stronger.

While some recoil from the label "politician," Murray was rightly proud of it because he was a professional who had the respect and admiration of those who worked with him. In life he had my respect and deep friendship; he will forever

have my gratitude. I shall miss him.

Mrs. Nixon joins me in extending to his wife, Nancy, and their family, our heartfelt sympathy.

NOTE: Mr. Chotiner, 64, died in Washington, D.C. He was General Counsel for the Office of the Special Representative for Trade Negotiations from 1969-1970 and Special Counsel to the President from 1970-1971.

On February 4, 1974, the President and Mrs. Nixon and Rose Mary Woods, Executive Assistant and Personal Secretary to the President, attended funeral services for Mr. Chotiner at the Washington Hebrew Congregation Temple in Washington, D.C.

25 Address on the State of the Union Delivered Before a Joint Session of the Congress. *January 30, 1974*

Mr. Speaker, Mr. President, my colleagues in the Congress, our distinguished guests, my fellow Americans:

We meet here tonight at a time of great challenge and great opportunities for America. We meet at a time when we face great problems at home and abroad that will test the strength of our fiber as a nation. But we also meet at a time when that fiber has been tested, and it has proved strong.

America is a great and good land, and we are a great and good land because we are a strong, free, creative people and because America is the single greatest force for peace anywhere in the world. Today, as always in our history, we can base our confidence in what the American people will achieve in the future on the record of what the American people have achieved in the past.

Tonight, for the first time in 12 years, a President of the United States can report to the Congress on the state of a Union at peace with every nation of the world. Because of this, in the 22,000-word message on the state of the Union that I have just handed to the Speaker of the House and the President of the Senate, I have been able to deal primarily with the problems of peace—with what we can do here at home in America for the American people—rather than with the problems of war.

The measures I have outlined in this message set an agenda for truly significant progress for this Nation and the world in 1974. Before we chart where we are going, let us see how far we have come.

It was 5 years ago on the steps of this Capitol that I took the oath of office as

your President. In those 5 years, because of the initiatives undertaken by this Administration, the world has changed. America has changed. As a result of those changes, America is safer today, more prosperous today, with greater opportunity for more of its people than ever before in our history.

Five years ago, America was at war in Southeast Asia. We were locked in confrontation with the Soviet Union. We were in hostile isolation from a quarter of the world's people who lived in Mainland China.

Five years ago, our cities were burning and besieged.

Five years ago, our college campuses were a battleground.

Five years ago, crime was increasing at a rate that struck fear across the Nation.

Five years ago, the spiraling rise in drug addiction was threatening human and social tragedy of massive proportion, and there was no program to deal with it.

Five years ago—as young Americans had done for a generation before that—America's youth still lived under the shadow of the military draft.

Five years ago, there was no national program to preserve our environment. Day by day, our air was getting dirtier, our water was getting more foul.

And 5 years ago, American agriculture was practically a depressed industry with 100,000 farm families abandoning the farm every year.

As we look at America today, we find ourselves challenged by new problems. But we also find a record of progress to confound the professional criers of doom and prophets of despair. We met the

challenges we faced 5 years ago, and we will be equally confident of meeting those that we face today.

Let us see for a moment how we have met them.

After more than 10 years of military involvement, all of our troops have returned from Southeast Asia, and they have returned with honor. And we can be proud of the fact that our courageous prisoners of war, for whom a dinner was held in Washington tonight, that they came home with their heads high, on their feet and not on their knees.

In our relations with the Soviet Union, we have turned away from a policy of confrontation to one of negotiation. For the first time since World War II, the world's two strongest powers are working together toward peace in the world. With the People's Republic of China after a generation of hostile isolation, we have begun a period of peaceful exchange and expanding trade.

Peace has returned to our cities, to our campuses. The 17-year rise in crime has been stopped. We can confidently say today that we are finally beginning to win the war against crime. Right here in this Nation's Capital—which a few years ago was threatening to become the crime capital of the world—the rate in crime has been cut in half. A massive campaign against drug abuse has been organized. And the rate of new heroin addiction, the most vicious threat of all, is decreasing rather than increasing.

For the first time in a generation, no young Americans are being drafted into the armed services of the United States. And for the first time ever, we have organized a massive national effort to protect the environment. Our air is getting cleaner, our water is getting purer, and

our agriculture, which was depressed, is prospering. Farm income is up 70 percent, farm production is setting alltime records, and the billions of dollars the taxpayers were paying in subsidies has been cut to nearly zero.

Overall, Americans are living more abundantly than ever before, today. More than 2½ million new jobs were created in the past year alone. That is the biggest percentage increase in nearly 20 years. People are earning more. What they earn buys more, more than ever before in history. In the past 5 years, the average American's real spendable income—that is, what you really can buy with your income, even after allowing for taxes and inflation—has increased by 16 percent.

Despite this record of achievement, as we turn to the year ahead we hear once again the familiar voice of the perennial prophets of gloom telling us now that because of the need to fight inflation, because of the energy shortage, America may be headed for a recession.

Let me speak to that issue head on. There will be no recession in the United States of America. Primarily due to our energy crisis, our economy is passing through a difficult period. But I pledge to you tonight that the full powers of this Government will be used to keep America's economy producing and to protect the jobs of America's workers.

We are engaged in a long and hard fight against inflation. There have been, and there will be in the future, ups and downs in that fight. But if this Congress cooperates in our efforts to hold down the cost of Government, we shall win our fight to hold down the cost of living for the American people.

As we look back over our history, the years that stand out as the ones of signal

achievement are those in which the Administration and the Congress, whether one party or the other, working together, had the wisdom and the foresight to select those particular initiatives for which the Nation was ready and the moment was right—and in which they seized the moment and acted.

Looking at the year 1974 which lies before us, there are 10 key areas in which landmark accomplishments are possible this year in America. If we make these our national agenda, this is what we will achieve in 1974:

We will break the back of the energy crisis; we will lay the foundation for our future capacity to meet America's energy needs from America's own resources.

And we will take another giant stride toward lasting peace in the world—not only by continuing our policy of negotiation rather than confrontation where the great powers are concerned but also by helping toward the achievement of a just and lasting settlement in the Middle East.

We will check the rise in prices without administering the harsh medicine of recession, and we will move the economy into a steady period of growth at a sustainable level.

We will establish a new system that makes high-quality health care available to every American in a dignified manner and at a price he can afford.

We will make our States and localities more responsive to the needs of their own citizens.

We will make a crucial breakthrough toward better transportation in our towns and in our cities across America.

We will reform our system of Federal aid to education, to provide it when it is needed, where it is needed, so that it will

do the most for those who need it the most.

We will make an historic beginning on the task of defining and protecting the right of personal privacy for every American.

And we will start on a new road toward reform of a welfare system that bleeds the taxpayer, corrodes the community, and demeans those it is intended to assist.

And together with the other nations of the world, we will establish the economic framework within which Americans will share more fully in an expanding worldwide trade and prosperity in the years ahead, with more open access to both markets and supplies.

In all of the 186 State of the Union messages delivered from this place, in our history this is the first in which the one priority, the first priority, is energy. Let me begin by reporting a new development which I know will be welcome news to every American. As you know, we have committed ourselves to an active role in helping to achieve a just and durable peace in the Middle East, on the basis of full implementation of Security Council Resolutions 242 and 338. The first step in the process is the disengagement of Egyptian and Israeli forces which is now taking place.

Because of this hopeful development, I can announce tonight that I have been assured, through my personal contacts with friendly leaders in the Middle Eastern area, that an urgent meeting will be called in the immediate future to discuss the lifting of the oil embargo.

This is an encouraging sign. However, it should be clearly understood by our friends in the Middle East that the United States will not be coerced on this issue.

Regardless of the outcome of this meeting, the cooperation of the American people in our energy conservation program has already gone a long way towards achieving a goal to which I am deeply dedicated. Let us do everything we can to avoid gasoline rationing in the United States of America.

Last week, I sent to the Congress a comprehensive special message setting forth our energy situation, recommending the legislative measures which are necessary to a program for meeting our needs. If the embargo is lifted, this will ease the crisis, but it will not mean an end to the energy shortage in America. Voluntary conservation will continue to be necessary. And let me take this occasion to pay tribute once again to the splendid spirit of cooperation the American people have shown which has made possible our success in meeting this emergency up to this time.

The new legislation I have requested will also remain necessary. Therefore, I urge again that the energy measures that I have proposed be made the first priority of this session of the Congress. These measures will require the oil companies and other energy producers to provide the public with the necessary information on their supplies. They will prevent the injustice of windfall profits for a few as a result of the sacrifices of the millions of Americans. And they will give us the organization, the incentives, the authorities needed to deal with the short-term emergency and to move toward meeting our long-term needs.

Just as 1970 was the year in which we began a full-scale effort to protect the environment, 1974 must be the year in which we organize a full-scale effort to

provide for our energy needs, not only in this decade but through the 21st century.

As we move toward the celebration 2 years from now of the 200th anniversary of this Nation's independence, let us press vigorously on toward the goal I announced last November for Project Independence. Let this be our national goal: At the end of this decade, in the year 1980, the United States will not be dependent on any other country for the energy we need to provide our jobs, to heat our homes, and to keep our transportation moving.

To indicate the size of the Government commitment, to spur energy research and development, we plan to spend \$10 billion in Federal funds over the next 5 years. That is an enormous amount. But during the same 5 years, private enterprise will be investing as much as \$200 billion—and in 10 years, \$500 billion—to develop the new resources, the new technology, the new capacity America will require for its energy needs in the 1980's. That is just a measure of the magnitude of the project we are undertaking.

But America performs best when called to its biggest tasks. It can truly be said that only in America could a task so tremendous be achieved so quickly, and achieved not by regimentation, but through the effort and ingenuity of a free people, working in a free system.

Turning now to the rest of the agenda for 1974, the time is at hand this year to bring comprehensive, high quality health care within the reach of every American. I shall propose a sweeping new program that will assure comprehensive health insurance protection to millions of Americans who cannot now obtain it or afford it, with vastly improved protection against catastrophic illnesses. This will be a plan

that maintains the high standards of quality in America's health care. And it will not require additional taxes.

Now, I recognize that other plans have been put forward that would cost \$80 billion or even \$100 billion and that would put our whole health care system under the heavy hand of the Federal Government. This is the wrong approach. This has been tried abroad, and it has failed. It is not the way we do things here in America. This kind of plan would threaten the quality of care provided by our whole health care system. The right way is one that builds on the strengths of the present system and one that does not destroy those strengths, one based on partnership, not paternalism. Most important of all, let us keep this as the guiding principle of our health programs. Government has a great role to play, but we must always make sure that our doctors will be working for their patients and not for the Federal Government.

Many of you will recall that in my State of the Union Address 3 years ago, I commented that "Most Americans today are simply fed up with government at all levels," and I recommended a sweeping set of proposals to revitalize State and local governments, to make them more responsive to the people they serve. I can report to you today that as a result of revenue sharing passed by the Congress, and other measures, we have made progress toward that goal. After 40 years of moving power from the States and the communities to Washington, D.C., we have begun moving power back from Washington to the States and communities and, most important, to the people of America.

In this session of the Congress, I believe we are near the breakthrough point on efforts which I have suggested, pro-

posals to let people themselves make their own decisions for their own communities and, in particular, on those to provide broad new flexibility in Federal aid for community development, for economic development, for education. And I look forward to working with the Congress, with members of both parties in resolving whatever remaining differences we have in this legislation so that we can make available nearly \$5½ billion to our States and localities to use not for what a Federal bureaucrat may want, but for what their own people in those communities want. The decision should be theirs.

I think all of us recognize that the energy crisis has given new urgency to the need to improve public transportation, not only in our cities but in rural areas as well. The program I have proposed this year will give communities not only more money but also more freedom to balance their own transportation needs. It will mark the strongest Federal commitment ever to the improvement of mass transit as an essential element of the improvement of life in our towns and cities.

One goal on which all Americans agree is that our children should have the very best education this great Nation can provide.

In a special message last week, I recommended a number of important new measures that can make 1974 a year of truly significant advances for our schools and for the children they serve. If the Congress will act on these proposals, more flexible funding will enable each Federal dollar to meet better the particular need of each particular school district. Advance funding will give school authorities a chance to make each year's plans, knowing ahead of time what Federal funds they are going to receive. Special targeting will

give special help to the truly disadvantaged among our people. College students faced with rising costs for their education will be able to draw on an expanded program of loans and grants. These advances are a needed investment in America's most precious resource, our next generation. And I urge the Congress to act on this legislation in 1974.

One measure of a truly free society is the vigor with which it protects the liberties of its individual citizens. As technology has advanced in America, it has increasingly encroached on one of those liberties—what I term the right of personal privacy. Modern information systems, data banks, credit records, mailing list abuses, electronic snooping, the collection of personal data for one purpose that may be used for another—all these have left millions of Americans deeply concerned by the privacy they cherish.

And the time has come, therefore, for a major initiative to define the nature and extent of the basic rights of privacy and to erect new safeguards to ensure that those rights are respected.

I shall launch such an effort this year at the highest levels of the Administration, and I look forward again to working with this Congress in establishing a new set of standards that respect the legitimate needs of society, but that also recognize personal privacy as a cardinal principle of American liberty.

Many of those in this Chamber tonight will recall that it was 3 years ago that I termed the Nation's welfare system "a monstrous, consuming outrage—an outrage against the community, against the taxpayer, and particularly against the children that it is supposed to help."

That system is still an outrage. By improving its administration, we have been

able to reduce some of the abuses. As a result, last year, for the first time in 18 years, there has been a halt in the growth of the welfare caseload. But as a system, our welfare program still needs reform as urgently today as it did when I first proposed in 1969 that we completely replace it with a different system.

In these final 3 years of my Administration, I urge the Congress to join me in mounting a major new effort to replace the discredited present welfare system with one that works, one that is fair to those who need help or cannot help themselves, fair to the community, and fair to the taxpayer. And let us have as our goal that there will be no Government program which makes it more profitable to go on welfare than to go to work.

I recognize that from the debates that have taken place within the Congress over the past 3 years on this program that we cannot expect enactment overnight of a new reform. But I do propose that the Congress and the Administration together make this the year in which we discuss, debate, and shape such a reform so that it can be enacted as quickly as possible.

America's own prosperity in the years ahead depends on our sharing fully and equitably in an expanding world prosperity. Historic negotiations will take place this year that will enable us to ensure fair treatment in international markets for American workers, American farmers, American investors, and American consumers.

It is vital that the authorities contained in the trade bill I submitted to the Congress be enacted so that the United States can negotiate flexibly and vigorously on behalf of American interests. These negotiations can usher in a new era of international trade that not only increases the

prosperity of all nations but also strengthens the peace among all nations.

In the past 5 years, we have made more progress toward a lasting structure of peace in the world than in any comparable time in the Nation's history. We could not have made that progress if we had not maintained the military strength of America. Thomas Jefferson once observed that the price of liberty is eternal vigilance. By the same token, and for the same reason, in today's world the price of peace is a strong defense as far as the United States is concerned.

In the past 5 years, we have steadily reduced the burden of national defense as a share of the budget, bringing it down from 44 percent in 1969 to 29 percent in the current year. We have cut our military manpower over the past 5 years by more than a third, from 3.5 million to 2.2 million.

In the coming year, however, increased expenditures will be needed. They will be needed to assure the continued readiness of our military forces, to preserve present force levels in the face of rising costs, and to give us the military strength we must have if our security is to be maintained and if our initiatives for peace are to succeed.

The question is not whether we can afford to maintain the necessary strength of our defense, the question is whether we can afford not to maintain it, and the answer to that question is no. We must never allow America to become the second strongest nation in the world.

I do not say this with any sense of belligerence, because I recognize the fact that is recognized around the world. America's military strength has always been maintained to keep the peace, never to break it. It has always been used to

defend freedom, never to destroy it. The world's peace, as well as our own, depends on our remaining as strong as we need to be as long as we need to be.

In this year 1974, we will be negotiating with the Soviet Union to place further limits on strategic nuclear arms. Together with our allies, we will be negotiating with the nations of the Warsaw Pact on mutual and balanced reduction of forces in Europe. And we will continue our efforts to promote peaceful economic development in Latin America, in Africa, in Asia. We will press for full compliance with the peace accords that brought an end to American fighting in Indochina, including particularly a provision that promised the fullest possible accounting for those Americans who are missing in action.

And having in mind the energy crisis to which I have referred to earlier, we will be working with the other nations of the world toward agreement on means by which oil supplies can be assured at reasonable prices on a stable basis in a fair way to the consuming and producing nations alike.

All of these are steps toward a future in which the world's peace and prosperity, and ours as well as a result, are made more secure.

Throughout the 5 years that I have served as your President, I have had one overriding aim, and that was to establish a new structure of peace in the world that can free future generations of the scourge of war. I can understand that others may have different priorities. This has been and this will remain my first priority and the chief legacy I hope to leave from the 8 years of my Presidency.

This does not mean that we shall not have other priorities, because as we

strengthen the peace, we must also continue each year a steady strengthening of our society here at home. Our conscience requires it, our interests require it, and we must insist upon it.

As we create more jobs, as we build a better health care system, as we improve our education, as we develop new sources of energy, as we provide more abundantly for the elderly and the poor, as we strengthen the system of private enterprise that produces our prosperity—as we do all of this and even more, we solidify those essential bonds that hold us together as a nation.

Even more importantly, we advance what in the final analysis government in America is all about.

What it is all about is more freedom, more security, a better life for each one of the 211 million people that live in this land.

We cannot afford to neglect progress at home while pursuing peace abroad. But neither can we afford to neglect peace abroad while pursuing progress at home. With a stable peace, all is possible, but without peace, nothing is possible.

In the written message that I have just delivered to the Speaker and to the President of the Senate, I commented that one of the continuing challenges facing us in the legislative process is that of the timing and pacing of our initiatives, selecting each year among many worthy projects those that are ripe for action at that time.

What is true in terms of our domestic initiatives is true also in the world. This period we now are in, in the world—and I say this as one who has seen so much of the world, not only in these past 5 years but going back over many years—we are in a period which presents a juncture of

historic forces unique in this century. They provide an opportunity we may never have again to create a structure of peace solid enough to last a lifetime and more, not just peace in our time but peace in our children's time as well. It is on the way we respond to this opportunity, more than anything else, that history will judge whether we in America have met our responsibility. And I am confident we will meet that great historic responsibility which is ours today.

It was 27 years ago that John F. Kennedy and I sat in this Chamber, as freshmen Congressmen, hearing our first State of the Union address delivered by Harry Truman. I know from my talks with him, as members of the Labor Committee on which we both served, that neither of us then even dreamed that either one or both might eventually be standing in this place that I now stand in now and that he once stood in, before me. It may well be that one of the freshmen Members of the 93d Congress, one of you out there, will deliver his own State of the Union message 27 years from now, in the year 2001.

Well, whichever one it is, I want you to be able to look back with pride and to say that your first years here were great years and recall that you were here in this 93d Congress when America ended its longest war and began its longest peace.

[At this point, the President paused to acknowledge applause from the audience. He then resumed speaking.]

Mr. Speaker, and Mr. President, and my distinguished colleagues and our guests:

I would like to add a personal word with regard to an issue that has been of great concern to all Americans over the past year. I refer, of course, to the investigations of the so-called Watergate affair.

As you know, I have provided to the

Special Prosecutor voluntarily a great deal of material. I believe that I have provided all the material that he needs to conclude his investigations and to proceed to prosecute the guilty and to clear the innocent.

I believe the time has come to bring that investigation and the other investigations of this matter to an end. One year of Watergate is enough.

And the time has come, my colleagues, for not only the Executive, the President, but the Members of Congress, for all of us to join together in devoting our full energies to these great issues that I have discussed tonight which involve the welfare of all of the American people in so many different ways, as well as the peace of the world.

I recognize that the House Judiciary Committee has a special responsibility in this area, and I want to indicate on this occasion that I will cooperate with the Judiciary Committee in its investigation. I will cooperate so that it can conclude its investigation, make its decision, and I will cooperate in any way that I consider consistent with my responsibilities to the Office of the Presidency of the United States.

There is only one limitation. I will follow the precedent that has been followed by and defended by every President from George Washington to Lyndon B. Johnson of never doing anything that weakens the Office of the President of the United States or impairs the ability of the Presidents of the future to make the great decisions that are so essential to this Nation and the world.

Another point I should like to make very briefly: Like every Member of the

House and Senate assembled here tonight, I was elected to the office that I hold. And like every Member of the House and Senate, when I was elected to that office, I knew that I was elected for the purpose of doing a job and doing it as well as I possibly can. And I want you to know that I have no intention whatever of ever walking away from the job that the people elected me to do for the people of the United States.

Now, needless to say, it would be understatement if I were not to admit that the year 1973 was not a very easy year for me personally or for my family. And as I have already indicated, the year 1974 presents very great and serious problems, as very great and serious opportunities are also presented.

But my colleagues, this I believe: With the help of God, who has blessed this land so richly, with the cooperation of the Congress, and with the support of the American people, we can and we will make the year 1974 a year of unprecedented progress toward our goal of building a structure of lasting peace in the world and a new prosperity without war in the United States of America.

NOTE: The President spoke at 9:05 p.m. in the House Chamber of the Capitol after being introduced by Carl Albert, Speaker of the House of Representatives. The address was broadcast live on nationwide radio and television.

Earlier in the day, the President met at the White House with Vice President Ford and members of the Republican Congressional leadership—Senators Hugh Scott and Robert P. Griffin and Representatives John J. Rhodes and Leslie C. Arends—to discuss the address and message.

26 Annual Message to the Congress on the State of the Union. *January 30, 1974*

To the Congress of the United States:

We enter 1974 not at the beginning of an historical cycle, but in the middle of one. Beginnings have been made in many vital areas, beginnings which we now must build upon. New needs have arisen which we are in the process of addressing. Opportunities are coalescing which give us a chance to make historic progress toward a stable peace and expanding prosperity.

In looking at the agenda for 1974, we cannot consider the work of this or of any one year in isolation. What we select as our tasks in 1974 must build on the work of the years before, and anticipate needs of those ahead. Indeed, one of the continuing challenges facing us in the legislative process is that of the timing and pacing of our initiatives.

It would be as false to pretend that we could do—or afford to do—everything at once, as it would be to maintain that we can do nothing. Therefore, we must strive to maintain steady progress, selecting each year among many worthy projects those that are ripe for action at that time, and that can be accommodated within the constraints of our budget—but pressing to ensure that the most that can be done is done.

In discussing my legislative recommendations for this Congressional session, therefore, I shall do so in the context of the advances that have already been made, the problems that remain, and the special opportunities we have in 1974 to make further progress.

I have started with certain basic premises:

—The basic tax burden on the American taxpayer should not be increased.

—Our new initiatives, therefore, should be scaled to what can prudently be spent given the level of revenues that would be generated by the existing tax structure at full utilization of our resources.

—Increases in Federal spending should be kept to a minimum, but the budget should be flexible enough to be used, if necessary, to maintain jobs and prosperity.

—It is essential that we break the old habit of regarding any Federal program, once established, as permanent; we must learn to scrap old programs that are no longer effective or needed in favor of new ones that are. This is the only way we can afford to do what must be done.

Within these guidelines, there are a number of major new initiatives which are ripe for action in 1974—several of which can be milestones on our march to a life of greater freedom, greater opportunity and greater prosperity for all.

In particular, 1974 can be the year in which:

—First, we not only break the back of the energy crisis, but also, through Project Independence, lay the foundation for our future capacity to meet America's energy needs from America's own resources—at reasonable prices and with adequate environmental protection.

—Second, we take another giant stride toward lasting peace in the world—not only by continuing our policy of negotiation rather than confrontation where the great powers are concerned, but also by helping toward the achievement of a just and lasting settlement in the Middle East.

—Third, we will check the rise in prices, without administering the harsh medicine of recession, and move the economy into

a period of steady growth at a sustainable level.

—Fourth, we establish a new system of comprehensive health insurance that makes high quality health care available to every American in a dignified manner and at a price he or she can afford.

—Fifth, we continue to build a new era of achievement and responsiveness in State and local government, by cutting the strings of too tight Federal control that have bound the hands of State and local officials in community and economic development programs.

—Sixth, we make a crucial breakthrough toward better transportation by strengthening the ability of local communities to deal with their transportation problems.

—Seventh, we reform our system of Federal aid to education to provide it when it is needed, where it is needed, and so that it will do the most for those who need it most.

—Eighth, we make an historic beginning on the task of defining and protecting the right of personal privacy.

—Ninth, we start on a new road toward reform of a welfare system that bleeds the taxpayer, corrodes the community and means those it is meant to assist.

—And tenth, together with the other nations of the world, we establish the economic framework within which Americans will share more fully in an expanding world trade and prosperity in the years ahead, with more open access to both markets and supplies.

MEETING OUR ENERGY NEEDS

At the start of this Congressional session, the number one legislative concern

must be the energy crisis.

The cooperative efforts of the American people, together with measures already taken by the Administration, have significantly reduced the immediate impact of the energy crisis. There has been some economic dislocation and some individual hardships, but these have been minimized by our policy of encouraging broad conservation measures and allocating scarce energy resources so as to do the least possible harm to jobs and the economy. The object has been to keep our farms and factories producing, to keep our workers on the job, and to keep our goods and services flowing, even if this means that we must live and work in somewhat less comfortable surroundings and drive fewer miles at slower speeds.

Even with the full cooperation of most Americans, however, we will still face real challenges—and genuine shortages—in the months and years immediately ahead. To meet these challenges, we must change our patterns of energy consumption and production, we must press forward with the development of reliable new energy sources, and we must adjust to the fact that the age of unlimited supplies of cheap energy is ended.

The immediate energy crisis began with the oil embargo imposed in the Middle East last fall. But the embargo only hastened a shortage that was already anticipated. For a number of years our fuel consumption had been climbing while our production of domestic energy supplies declined. We became more and more heavily dependent on oil imports and, consequently, more vulnerable to any interruption or reduction in those imports, as well as to sudden increases in foreign prices. Today, we have an interruption in

supplies and we face sharply increased prices for those supplies when they are restored.

Irrespective of the possibility of restoring the flow of Middle East oil, we must act now to ensure that we are never again dependent on foreign sources of supply for our energy needs. We must continue to slow the rise in our rate of consumption, and we must sharply increase our domestic production.

The effects of energy conservation can be felt at once. Already the responsiveness of the American people to the recent crisis has proved to be the major factor in helping to avoid the serious consequences that the winter might have brought. That conservation must continue.

The required increase in domestic supplies cannot be achieved so rapidly. It will involve the development of entirely new sources of energy as well as the expanded development of oil and coal resources; it will require a significant expansion of our research and development efforts; it will require a shift from the use of scarce fuels to those which are more plentiful but also more expensive than the cheap energy to which we have been accustomed; it will require that we encourage both exploration and production; it will mean that as we act to prevent the energy industry from making unconscionable windfall profits, we must also avoid crippling that industry with punitive legislation; and finally, it will require that we make some difficult decisions as we sort out our economic and environmental priorities.

As we seek to act domestically to increase fuel supplies, we will act internationally in an effort to obtain oil at reasonable prices. Unreasonable increases

in the cost of so vital a commodity as oil poses a threat to the entire structure of international economic relations. Not only U.S. jobs, prices and incomes are at stake, but the general pattern of international cooperation is at stake as well. It is our hope that we can work out cooperative efforts with our friends abroad so that we can all meet our energy needs without disrupting our economies and without disrupting our economic relationships.

Last week I sent to the Congress a comprehensive special message setting forth our energy situation, our energy prospects, our energy needs, and the legislative measures I consider necessary for meeting those needs. I shall not repeat that analysis nor the full list of those recommendations today.

I do want to urge, however, that the critical energy measures which I have proposed be made the first order of legislative business in this session of the Congress, and that work go forward expeditiously on the others. Those measures which I request be given the highest priority are the following:

—A special energy act which would permit additional restrictions on energy consumption and would postpone temporarily certain Clean Air Act requirements for power plants and automotive emissions;

—A windfall profits tax which would prevent private profiteering at the expense of public sacrifice;

—Unemployment insurance for people in areas impacted by serious economic dislocation; and

—Mandatory reporting by major energy companies on their inventories, their production and their reserves.

I am also asking that the Congress quickly establish the Federal Energy Ad-

ministration and the Energy Research and Development Administration to provide the appropriate organizational structure for administering the national energy policy, as we work toward the establishment of a Department of Energy and Natural Resources.

The 13 other energy measures I requested last week deal with longer-term needs, extending beyond the present emergency. But these also require expeditious action if we are to achieve the goal of Project Independence—a capacity for energy self-sufficiency by 1980. The success of Project Independence is essential to the continued strength of our position in world trade, and also to our independence of action as a great power.

I hope that our joint efforts now to resolve the energy crisis and to move toward a capacity for self-sufficiency in energy will enable the President who addresses the 98th Congress a decade from now to look back and say we made it possible for America to enjoy continued peace and prosperity in the 1980s.

THE NATION'S ECONOMY

THE WORLD ECONOMY

During the past three years the United States has reached an unprecedented level of material prosperity. Industrial output has set new records. Trade has flourished. Consumption has risen to the highest levels in history. Even our inflation rate—the most serious economic problem we now face—has been one of the lowest in the industrialized free world.

The major policy decisions we took in 1971 contributed significantly to this prosperity—both here and in other countries. It was clear, for example, as we

moved into the 1970s that the international monetary system adopted after World War II needed major adjustments. Unsustainable imbalances had developed, threatening a resurgence of protectionism and a disruption of world trade. This is why I decided to take some very strong measures in August of 1971, measures that have resulted in a major realignment of world currency values, progress toward new and more flexible international monetary management, and negotiations toward a more open and equitable trading system.

These adjustments, while essential, were not easy. But now we have finally entered into a more flexible and realistic international financial system. Much remains to be done to complete the transition, but its beneficial results are already clear.

The realignment of currency values helped produce an increase of 80 percent—or more than \$50 billion in the rate of U.S. exports during the past two years, along with a major improvement in our trade balance. This improvement was good not only for us, but also for the rest of the world. In addition, the shocks to the world economy arising from reduced food supplies in 1972 and 1973, and in recent months from the oil embargo and the arbitrary increases in the price of oil, all were managed without panic under the new arrangements. Indeed, world trade has continued to expand, despite these temporary difficulties.

INTERNATIONAL TRADE BARRIERS

A vigorous international trade is vital to the American economy. Jobs for American workers depend on our ability to develop foreign markets. Moreover,

American consumers deserve access to foreign-made products that might be less expensive, or more interesting, or unavailable in the United States. But if trade is to be advantageous over the long run, it must be conducted on a basis which is fair to all participants.

There are still many unnecessary barriers to trade which need to be lowered or removed. While improvements have been made in this situation during the last 10 years, we need now to build on this progress and to negotiate for more open access both to markets and supplies. This is why I call upon the Congress with special urgency to complete action on my proposed Trade Reform Act, in order to provide the authority we will need to negotiate effectively for reductions in barriers to trade, to improve the trading system, and to manage trade problems at home more effectively.

As the Senate considers this legislation, I would draw its attention particularly to provisions added in the House which would seriously impede our efforts to achieve more harmonious international relationships. These provisions would effectively prevent both the extension of nondiscriminatory tariff treatment and of credits to certain Communist countries unless they followed a policy which allowed unrestricted emigration. I am convinced that such a prohibition would only make more difficult the kind of cooperative effort between the United States and other governments which is necessary if we are to work together for peace in the Middle East and throughout the world. I am confident that by working with the Congress we can find a solution to this problem that will avoid a major setback in our peacemaking efforts.

At the same time, we must move for-

ward with current negotiations to reform the international payments system under the auspices of the International Monetary Fund. These negotiations are designed to increase the opportunities for all nations to trade and invest profitably. The U.S. has already presented proposals for deterring the growth of significant imbalances in international monetary affairs while preserving for each nation a wide freedom in choosing how necessary adjustments can best be accomplished. In addition, the system will also have to accommodate the increased payments flow and prospective reserve accumulations occasioned by higher oil prices. If, however, other nations share with us the will to preserve a healthy and growing world economy, I am confident that a mutually acceptable solution to this problem will be achieved.

In practice, this means that our markets must increasingly be open to imports from developing countries—a condition that would be significantly facilitated by enactment of the Trade Reform Act. It also means that the Congress must continue to authorize and appropriate our fair share of both bilateral and multilateral economic assistance, including a substantial contribution to the International Development Association which helps the poorest countries. In 1973 we successfully negotiated a reduction of the United States share from 40 percent to one-third of IDA funds. We cannot let the action of the House in voting against IDA stand as our final answer. We will work hard with the Congress to ensure that this country continues to play a leadership role, consistent with our own economic situation, so that long-term economic development can continue to be planned in an orderly manner.

Along with trade and monetary problems, new international agreements on investment policies and new mechanisms for dispute settlement are high on our negotiating agenda for the coming year. We must continue to work for economic arrangements which permit the beneficial flow of international investment so that all may derive the maximum benefit from their own resources. To that end, I am glad to be able to note that this week the United States completed the phaseout of controls on flows of capital from this country.

The recent oil embargo and especially arbitrary increases in the price of oil have created major economic problems for many countries, including the United States. If continued, these policies would require enormous transfers of goods and assets from oil importing nations, transfers which would represent a serious burden for even the wealthiest countries and which would be virtually unbearable for the less developed countries.

Our objectives are clear—we must get world oil prices down from levels that are arbitrary and exploitative. We must also cooperate to ensure that the international and domestic economic policies of the advanced countries do not compound the economic disturbances created by the current emergency but rather that we do all that can be done to contain and limit those disturbances.

THE DOMESTIC ECONOMY

Despite our general prosperity, inflation remains a most serious economic problem, not only in the United States but also for the rest of the world. We see clear evidence of this problem at every hand. World oil prices have gone up recently at

dramatic rates. World food, metals and other commodities prices are also up sharply. Because domestic prices cannot be isolated from international prices, worldwide inflationary pressures have helped to drive up prices here at home.

Inflation has been a continuous problem for nearly a decade, and it got worse in 1973. The result has been that people have come to expect continuing price increases—and to behave accordingly in their own economic life. Their behavior, in turn, adds further to inflationary pressures, contributing to a vicious inflationary spiral which is difficult to break.

Some people have said that the best way to wring these inflationary expectations out of our economy is by taking the economy into a recession. I disagree. It is true that a lower level of economic activity would reduce demand and thus lower the pressure for higher prices. However, the cost of such a policy in terms of increased unemployment would simply be unacceptable.

By the same token, I also reject the notion that we should totally ignore inflation and concentrate solely on stimulating higher levels of employment. This policy would also involve too high a cost since it would unleash a further acceleration of the inflation rate.

In developing my economic policy for 1974, I have chosen what I believe is a sound middle road: to cushion the economic slowdown we expect during 1974 without providing additional stimulus for inflation. We expect this policy to reduce the rate of inflation by the end of the year. Should there appear to be a serious threat of a severe slowdown, then we will act promptly and vigorously to support the economy.

As we cope with the challenge of in-

flation, we must recognize the clear lesson of recent years: While direct controls over prices and wages can help fight inflation in the short-run, they have a very limited useful life. Inevitably, their eventual effect is to create or aggravate significant distortions in production and distribution. Accordingly, I will continue to watch the wage-price situation closely and to pursue a policy of gradual, selective decontrol except in particularly troublesome areas.

At the same time, those Federal programs that will help reduce inflation by increasing the supply of scarce resources will be strengthened. One key area where we can look forward to expanded supplies is that of food. With a new national farm policy that encourages rather than discourages output, we achieved a record harvest in 1973 and another record harvest now appears likely in 1974. Increased agricultural output is the only sure way to bring food prices down—and increased output is what our new policies are producing.

Rapid inflation is not inevitable and it must not be tolerated. To regain control of inflation, however, will require patience and persistence over the long course. My Administration is dedicated to achieving this objective and we are confident that with the help of the American people we will succeed.

Another most pressing economic problem—and a major contributor to inflation—is the energy crisis. As the cost of using our own fuel resources came to exceed the cost of imports in the 1960's, it became increasingly attractive for us to import oil and petroleum products. Unfortunately, our growing dependence on imports made our entire economy more vulnerable to outside forces. That vulnerability has been tested in recent months—

as has the even greater vulnerability of the developed countries of Western Europe and Japan and the less developed countries which have no oil. Every American has learned the consequences of this vulnerability: short fuel supplies and higher fuel prices.

To a large extent, our flexible, adaptable economy will solve the longer run energy problem through the normal workings of the marketplace. As energy prices reach somewhat higher levels than the bargain rates of the past, conservation will be encouraged while domestic energy production will be expanded. One example of normal market forces at work has been the recent shift to smaller cars with better gas mileage. Over the next few years we can also expect to see an expansion of coal production and new output of oil and natural gas.

Nevertheless, we will still have to import some of the oil we will need in the immediate future. It is essential, therefore, that we seek a more reasonable price for oil in the world market.

It is also imperative that we review our current and prospective supplies of other basic commodities. I have therefore directed that a comprehensive report and policy analysis be made concerning this crucial matter so that governmental actions can properly anticipate and help avoid other damaging shortages.

Even with the inflation and energy problems, 1973 was a year of many important economic gains for American people.

First, employment in 1973 increased by 2.7 million persons; this 3.3 percent rise in employment was the largest since 1955. New job opportunities greatly benefitted all categories of workers, including women, non-whites, teenagers, and Vietnam

veterans. Unemployment reached low levels, especially for skilled workers.

Second, the purchasing power of the American people reached new highs last year. Even after allowing for price increases, people are now consuming more goods and services than they did a year ago, or in any other year in the entire history of the United States.

Not everyone's purchasing power went up, of course. Inflation took its toll on many families whose income did not rise as fast as that of the average American. It is for this reason that we continue to regard inflation as a very serious enemy. At the same time, however, we should not ignore the substantial economic gains that have been made.

PERSPECTIVE ON 1974

We have known for some time that a slowdown in economic growth is inevitable in 1974. It has been clear that our economy has simply been growing at an unsustainable rate. Shortages of skilled workers, full utilization of plant and equipment in key industries, and short supplies of a number of essential raw materials have all provided clear indications that our rate of growth would have to taper off. Unfortunately, the very mild slowdown which we anticipated for 1974 now threatens to be somewhat more pronounced because of the oil embargo, the resulting shortages, and the oil price increase.

We expect, therefore, that during the early part of this year output will rise little if at all, unemployment will rise somewhat and inflation will be high. Our objective, however, is to turn this situation around so that later in the year output will be rising more rapidly, while unemployment

will stop rising and will then decline, and the rate of inflation will slow.

ROLE OF THE FEDERAL BUDGET

The budget that I will recommend to the Congress next week will help us achieve our goals for this period. It will support the economy, resisting a major slowdown, but it will not provide a degree of stimulation that could accelerate inflation. If future events suggest that a change in fiscal policy is desirable, I will promptly recommend the appropriate changes. In particular, I will not hesitate to use the stimulus of fiscal policy if it becomes necessary to preserve jobs in the face of an unexpected slackening in economic activity.

For fiscal year 1975, my budget recommends total spending of \$304.4 billion, an increase of \$29.7 billion over the current year. The increase is being held to the minimum level necessary—nearly 90 percent of the increase is unavoidable under existing law. The budgeted increase in relatively controllable outlays is only 4.2 percent.

Federal receipts should reach \$295 billion during fiscal year 1975, an increase of \$25 billion. The projected budget deficit is \$9.4 billion. Under conditions of full employment, however, Federal receipts would be substantially higher and there would instead be a moderate budget surplus.

The Federal budget remains an essential tool in the fight against inflation. With the energy supply limitations we are experiencing and the price pressures they create, budget discipline is still required.

I have noted with satisfaction that most Members of the Congress have also recognized the need for budgetary discipline,

and that work is going forward to establish a more systematic budgeting procedure. The Congress devoted considerable effort in 1973 to developing a mechanism for coordinating its individual spending decisions with the budget as a whole. I continue to support this effort, although I have been troubled by some of the extraneous amendments which have been added to some of the measures for achieving this goal. I urge the Congress to enact workable budget reform in this legislative session.

TAX REFORM

Our entire economy is affected by the incentives for job-creating investments that are embodied in our tax laws. Major steps have been taken to reform our tax laws in the past five years, but much remains to be done.

Since 1969—primarily through the Tax Reform Act of 1969 and the Revenue Act of 1971—major changes have been introduced to make the personal income tax system conform more nearly to contemporary standards of fairness. Both the higher level of personal exemptions and the low income allowance have worked to free more than eight million low income families from their entire Federal income tax burden. The difference in the tax liability for single and married taxpayers has also been reduced. As a result of these and other tax changes, individual income taxes will be about \$25 billion less in 1974 than they would have been under the old tax laws. The saving in the tax burden for a typical family will be more than \$270, or the equivalent of two weekly take-home paychecks for the average worker.

I look forward to working with the Congress during the next few months not

only to simplify our tax laws themselves, but also to simplify the tax forms that individuals fill out and to distribute the income tax burden more equitably.

Last April, the Secretary of the Treasury presented to the Congress a set of Administration proposals for major and fundamental tax reform. Included in these proposals were the establishment of a minimum taxable income so that no one could avoid paying a fair share of the tax burden, the establishment of new rules for taxing income from foreign sources, and also a limitation on artificial accounting losses to eliminate so-called "tax shelters." I urge the Congress to consider the Administration's tax reform proposals early in the year.

I have also been concerned about the excessive burdens imposed on our low income elderly families by State and local property taxes. To deal with this problem, I have proposed a refundable tax credit for those low income elderly persons whose property taxes exceed five percent of their income. The proposal would also provide equivalent relief for the low income elderly individual who pays rent. I again urge the Congress to enact this very important proposal.

FINANCIAL REFORM

The health of our economy depends upon an efficient and flexible private financial system—commercial banks, thrift institutions, credit unions, and a host of other institutions and individuals that comprise the financial sector of our economy. The average family depends on these institutions, both to provide a fair and reliable return on its savings and to provide credit on reasonable terms when needed to buy homes, automobiles and

other purchases. There have been occasions recently when this financial system has not worked as well as it should—occasions, for example, when mortgage lending has been very difficult to obtain. In large part these problems have been the result of legislation, regulations and institutional arrangements which were suited to an earlier time but which are now obsolete.

To remedy this problem I submitted draft legislation last year which reflected the results of careful study by a Presidential commission and Government experts. I again urge the Congress to act promptly on this matter so that American families, businessmen, and local governments can be served by a financial system suited to the economic conditions of the 1970s.

The Administration is also studying the competitive position of foreign banks within this country and of American banks abroad to make sure that discriminatory regulations do not prevent American banks and other financial institutions from doing business they are entitled to do. I will be following the results of this study with considerable interest and will submit to the Congress any proposals resulting from the study which seem desirable.

A HEALTHY AGRICULTURAL ECONOMY

Abundance is the primary goal of our farm policy—abundance that can guarantee lower food prices for every American and higher incomes for all American farmers.

Five years ago, agriculture was a troubled industry:

—Government controls were reducing incentives for production and costing the taxpayers over \$3 billion a year in farm

subsidies designed to hold down production.

—Farm income was low (\$14.7 billion) and the long hours worked by farmers earned them an average income that was 26 percent below the nonfarm average. Farm families had been leaving the farm at an average rate of over 100,000 a year.

Today, that picture has been dramatically altered:

—Farm markets have expanded dramatically. Farm exports have set new records in each of the last four years, becoming the largest single factor in the Nation's balance of payments and strengthening the dollar in international money markets.

—Farm production has reached new record levels in each of the last three years, and a new record harvest should be forthcoming in 1974.

—The billions of tax dollars which used to go for farm price support payments for basic commodities every year will be reduced to nearly zero.

—Farm income has reached record levels. By 1973, the gap between farm income and nonfarm income had closed from 26 to 7 percent. Net farm income was up from \$14.7 billion to \$26.1 billion.

We are making this progress not through more Government regulation but less. One of the proudest achievements of this Administration was the enactment of the Agriculture and Consumer Protection Act of 1973, which places production decisions where they belong—with farmers, not with the Government.

A primary challenge for Federal agricultural policies now is to encourage greater production of agricultural goods—which will mean more income for the farmer, greater international trading benefits for the Nation, and reasonable

food prices for the consumer. I am therefore asking the Congress to revamp the programs which still require restrictive Federal control over the production of some remaining farm commodities—especially rice, peanuts, tobacco, sugar, and extra long staple cotton.

To further enhance agricultural activity, the Administration will also:

—Promote longer-run soil and water conservation practices.

—Consolidate the locations of local offices of Federal agricultural agencies—specifically, the Agricultural Stabilization and Conservation Service, the Soil Conservation Service, the Farmers Home Administration, and the Federal Crop Insurance Corporation—creating one-stop agricultural service centers on the local level to make things easier for the farmer and less costly for the Government.

—Place high priority on directing agricultural research into those areas which will assure plentiful agricultural goods at reasonable prices, maintain our competitive advantage in world agricultural production, and protect the land.

At my direction, Secretary Kissinger recently proposed to the United Nations that it convene a World Food Conference, a concern made urgent by acute food shortages in many parts of the world. This conference, to be held in November of 1974, should prove of particular importance to the American farmer, whose extraordinary productivity has made this Nation the world's leading food exporter and whose own prosperity will continue to increase as we help to meet the needs of a hungry world.

Our farm policy must of course address not only the needs of the farmer but also those of the consumer. During 1973, we experienced a period of rapidly increasing

food prices. Those prices leveled off in late 1973, but now we appear to be heading into a period of increasing food prices for at least the next few months. It is our intention to hold these increases to the smallest possible rate through executive actions such as lifting the quota on wheat imports, an action that I took last week. But the most significant force in the battle against higher food prices is higher production. This summer and fall, the large 1974 harvest should be coming on the market, serving as the best possible damper on higher prices.

ECONOMIC SECURITY

One of the most significant legislative achievements of 1973 was the enactment of the Comprehensive Employment and Training Act (CETA). A form of manpower revenue sharing, this bill transfers from the Federal Government to States and localities significant control over the design and operation of programs to improve the employability of the unemployed and the underemployed. CETA is a landmark of the New Federalism. It is also a landmark on the way to better manpower programs.

Under this legislation, State and local governments will be able to use Federal funds to meet locally-determined needs and to devote special attention to employment problems with particular local impact—as, for example, those that might arise in certain areas as a result of the present energy shortage. In my new budget, I am including an additional \$250 million for CETA in the current fiscal year, and \$350 million in the year beginning July 1, for distribution to areas with high unemployment. Overall, I am requesting more than \$2 billion to fund

our training and employment programs in the coming year.

Other proposals related to economic security that I made to the Congress last year, and on which I again urge action, include:

—The establishment of minimum vesting, funding and fiduciary standards for private pension programs, so that workers could have greater assurance of receiving the pensions they expect and deserve when they retire. I urge that we work together to resolve speedily the remaining disagreements and to enact responsible legislation which increases employee protection without burdening employers to such an extent that existing plans are jeopardized or new ones discouraged.

—Extension to State and local governments of the law forbidding employment discrimination against older workers.

—Improvement of the Federal-State unemployment insurance program in several ways: by increasing the State limits that keep some unemployed workers from receiving a reasonable proportion of their normal wage, by extending coverage to farmworkers, and by prohibiting payment of benefits to strikers while assuring benefits to non-participants unemployed as a result of a strike.

These general improvements in unemployment insurance should be augmented by a special extension of present benefits for those specific areas of the country which experience particularly high levels of unemployment over the next 12 months. In addition, basic coverage should be provided for those in these areas who do not at present have any unemployment insurance. I will submit special legislation to achieve this purpose.

I also continue to support legislation to raise the minimum wage. Higher prices

have eroded the purchasing power of workers receiving the current minimum wage. But we must be careful to guard against enacting a bill which includes sharp increases or coverage extensions that would keep low income workers from being employed or a bill with a minimum wage for youths so high that we unwittingly deny them jobs.

Finally, we must attack one of the most troublesome problems faced by both rural and urban areas; the existence of persistent and often severe unemployment or low incomes in areas whose character has been altered by changes in our economy and technology. Within the next several weeks, I will propose an Economic Adjustment Assistance program to help States and communities in overcoming problems caused by structural changes in their economies. This program would replace the present Economic Development Administration and the Regional Action Planning Commissions after a period of orderly transition.

INCOME SECURITY

One measure of a nation's character is the respect it accords to its elderly. Another is the way it helps those in need. We can be proud of the efforts we have made, but it is time to reassess where we are and what direction we should take in the future.

We can take pride in the fact that:

—Cash benefits under social security have risen from \$26 billion in fiscal year 1969 to \$63 billion in fiscal year 1975, primarily as the result of five benefit increases totaling almost 70 percent and reaching 29 million persons.

—A program of Supplemental Security Income has been initiated and will soon be

providing benefits to more than 5 million of the low-income aged, blind, and disabled, on a uniform, nationwide basis in a way that respects their dignity.

But our income security programs need more than improved benefits.

Over the past thirty-five years, a multitude of federally funded programs has grown up whose primary purpose is income security for those in need. Each of these efforts reflects a humane attempt to respond to a worthy goal. However, as cash, in-kind and service programs have rapidly expanded in the past few years, two things have become painfully clear:

—First, the result is an extremely costly set of generally unrelated, uncoordinated programs with many unintended and undesirable consequences; and

—Second, these efforts neither efficiently nor equitably accomplish the overall objective of assisting lower income families and individuals to achieve greater economic independence.

The fact that a third of the new Federal budget—\$100 billion—will be spent on income security programs in fiscal year 1975, compared to the \$38 billion, or one-fifth of the budget, which they received just five years ago, highlights the need to rationalize and integrate our income assistance programs.

As long ago as 1969, I called for a complete overhaul of our discredited welfare programs. I said then that “whether measured by the anguish of the poor themselves, or by the drastically mounting burden on the taxpayer, the present welfare system has to be judged a colossal failure.”

At that time, I proposed the Family Assistance Plan. Neither the Congress nor the country accepted that proposal. I do

not intend to resubmit a new version of the Family Assistance Plan.

Since then, we have made a concerted effort to improve the administration of the existing programs. In 1973, for the first time in recent years, because of vigorous new Federal and State initiatives to enforce the rules more strictly, growth in the Aid to Families With Dependent Children case load was halted. But, in their overall impact, the welfare programs remain a failure and an outrage. As an example of the failure, recent studies have shown that fully 40 percent of the AFDC benefits being paid are either going to ineligible persons or are incorrect in amount. This performance is not just the result of fraud, although there is some of that. It is primarily and overwhelmingly the result of a system which is so complex and so riddled with obscure, obsolete and incomprehensible regulations that it defies fair and efficient administration.

I plan to make a major new effort to replace the current maze of welfare programs with a system that works. This task will be difficult, but we have no other alternative, save further waste—both of lives and dollars. I welcome the evidence that thoughtful Members of the Congress, after careful study, have reached the same conclusion.

While this effort goes forward, I will make every possible effort to improve the operation of the existing programs through administrative reforms, recognizing that a replacement system cannot be developed, enacted, and put into operation overnight. But, unless we move urgently to the development of a new system, efforts to improve the administration of the present programs will eventually

be undermined by their basic structural flaws.

In the development of my proposal, I will be guided by five principles:

(1) All Americans who are able to work should find it more rewarding to work than to go on welfare. Americans would strongly prefer to have good jobs rather than a Federal handout. While we should provide cash assistance to those in need, we must always encourage complete self-support for those who are capable of it.

(2) Cash assistance is what low-income people need most from the Federal Government. The people themselves, not the Federal Government, know their own needs best.

(3) We need to focus Federal help on those who need it most. People in need should receive equal treatment from the Federal Government regardless of their place of residence.

(4) The new system should be as simple as possible to administer with rules that are clear and understandable. It should be based on objective criteria rather than the personal judgment of administering officials. And it should be efficient.

(5) This new approach should not require an increased tax burden for any of us. Too much of the income of all of us now goes to support Government. We help no one—certainly not those in poverty—by weakening our free enterprise system by even higher taxation.

Starting from these basic principles, I believe we can develop a new system which would ensure that those who can help themselves do help themselves, and which would allow those who cannot help themselves to live with dignity and self-respect.

IMPROVING OUR PEOPLE'S HEALTH

In February of 1971, I outlined to the Congress a new national health strategy to assure that no American would be denied access to high quality medical care because of an inability to pay. Much has already been accomplished toward meeting that objective.

A little over two years ago, I took special satisfaction in signing into law the National Cancer Act, which enabled us to launch an accelerated effort to conquer this dread disease. Considerable progress has been made in our attack on cancer and there is much hope that additional knowledge can be developed in the future. In the budget that I will submit to the Congress next Monday I plan to ask for an additional \$100 million above last year's request of \$500 million for the expanded attack on cancer. In addition, biomedical research in other areas, including heart disease, has been intensified—and the total 1975 budget for biomedical research will exceed \$2 billion, more than double the total in fiscal year 1969.

We are also making headway toward increasing the Nation's supply of health manpower. During the last ten years, first year medical school enrollments have grown by more than 55 percent. The number of other health professionals also can be expected to grow dramatically. Just last month, I approved legislation along the lines I requested in 1971 to permit the Federal Government to support the demonstration of health maintenance organizations across the Nation. During both 1974 and 1975, \$125 million will be provided through health maintenance organizations to demonstrate the benefits of prepaid health care to our citizens.

Federal programs to finance health

services for the aged, for the disabled, and for low income persons have been greatly expanded. Since 1969, Medicare and Medicaid coverage has been extended to an additional 21 million aged, disabled, and low-income Americans. The range of services covered under Medicare and Medicaid has also increased.

Consumer safety programs—to assure safe foods, drugs, cosmetics, and other consumer products—have received almost a fourfold increase in Federal funding since 1969.

Despite all these advances, however, too many Americans still fail to receive needed health care because of its costs. And too often the costs of health care threaten our citizens with bankruptcy while the services that can prevent or cure disease are not fully utilized.

As one of my major new initiatives for 1974, I shall soon submit to the Congress a comprehensive health insurance proposal which would:

- Make available health insurance protection to millions of Americans who currently cannot obtain or afford the private health insurance coverage they need.

- Provide all Americans with vastly improved protection against catastrophic illness.

- Place a new emphasis on preventive health care.

- Provide State and Federal subsidies for low-income families, and for those whose special health risks would otherwise make them uninsurable or insurable only at exorbitant expense.

My comprehensive health insurance proposal will build upon the strengths of the existing health system, rather than destroying it. It will maintain the high quality of medical care without requiring

higher taxes. It will be based on partnership, not on paternalism. And most importantly, it will require doctors to work for their patients, not for the Federal Government.

This plan would require that employers offer a comprehensive health insurance plan to all their full-time employees, with the employer paying a share of its costs. The role of private health insurance in financing health care would be expanded and the consumer's opportunity to choose between competing health insurance plans would be enhanced.

In addition to this plan, there are a number of other health-related measures that I urge the Congress to enact this year. These include:

- A Health Resources Planning Act, to help States and localities improve their planning and use of health resources;

- New and expanded national health service scholarship legislation, to increase the number of Federal scholarships available to students in health professions, and also to help ensure that the Federal Government can meet its needs for physicians; and,

- A general expansion of the guaranteed student loan program, to provide adequate financial assistance to all professional and graduate students, including health professionals.

IMPROVING EDUCATION

The Federal Government should provide strong leadership in assuring equal access to a high quality education for all Americans and in bringing about renewal and reform of all of our education programs.

Since 1969, we have raised Federal

spending for education from \$4.3 billion to \$7.6 billion—an increase of 76 percent.

In special messages to the Congress on education in the past, I set forth five major proposals to improve American education. They were:

—A new program of student assistance to help to ensure—for the first time in the Nation's history—that no qualified person is barred from attending college by lack of money.

—A National Institute of Education, to be the focal point for educational research and development aimed at increasing our knowledge of how to help students learn.

—A National Foundation for Higher Education, to encourage innovation in learning beyond high school.

—An Emergency School Aid program to assist desegregating school districts.

—A thorough reform of the programs for Federal support of elementary and secondary education, consolidating the myriad separate categorical grant programs in order to transfer educational decisions back to the State and local levels where they belong.

The first four of these basic proposals have been enacted, in whole or in part, and a great deal has already been accomplished through them. As for the fifth, reform of Federal funding for elementary and secondary education, I believe that 1974 should be the year of its enactment.

COLLEGE STUDENT ASSISTANCE

The Basic Educational Opportunity Grant Program is the primary vehicle in my effort to ensure that no qualified student be denied a college education because of lack of funds. In my new budget, I am asking Congressional approval to

strengthen this program by providing grants of up to \$1,400 a year for needy students. Altogether, when combined with other student funding efforts, the Federal Government in the coming fiscal year would provide an estimated \$2.2 billion of financial aid to post-secondary students, an increase of over \$900 million from the level of five years ago.

Since the present student assistance programs are targeted to help the neediest, and because the costs of higher education have risen dramatically, many middle income students are now finding it increasingly difficult to make ends meet. I therefore also recommend that the limit on total borrowing be increased so that professional and other graduate students will be able to find adequate student loans.

EDUCATIONAL RESEARCH AND DEVELOPMENT

When I originally proposed the creation of a National Institute of Education, I suggested that providing equal opportunity for quality education means, in part, increasing our knowledge about the ways that students learn and then changing the way we teach them. For too long we have followed the belief that bigger educational programs are necessarily better educational programs and that money alone can solve our educational problems. But now we are beginning to see that the quality of our thinking about education can be as important as the size of our educational budget.

The National Institute of Education can help us to marshal our educational resources in ways which will produce the best results. It has already begun to provide the kind of leadership in educational

research and development which I have long believed was needed.

EDUCATIONAL INNOVATION BEYOND HIGH SCHOOL

While the National Foundation for Higher Education which I proposed in 1970 has not been established, the Fund for the Improvement of Post-secondary education was set up by the Congress. The fund is now providing support for the development and demonstration of more effective approaches to college level education. Our initial assessment leads me to believe that the fund will, in the years to come, become the primary focal point for innovation in higher education.

ASSISTING SCHOOL DESEGREGATION

Under the Emergency School Aid Act of 1972, an estimated \$467 million in Federal funds will have been provided to local school districts by the end of 1975 to assist in the process of elementary and secondary school desegregation, to encourage voluntary programs to overcome minority group isolation, and to assist in meeting the educational needs of children who, because of racial isolation, have not had an equal educational opportunity.

By the 1975-1976 school year, the bulk of the problems incident to "de jure" segregation should have passed. However, to provide assistance to those other school districts which may still be required to take special desegregation measures as the result of court rulings, I have budgeted an additional \$75 million for fiscal year 1975. In addition, the Federal Government will continue to provide civil rights education advisory activities to local districts to assist them in meeting any remaining problems.

BUSING

I have often expressed my opposition to the use of forced busing for purposes of achieving racial balance. I have also proposed legislation which would dictate reasonable limits on the use of forced busing, and I have opposed the consolidation of school districts in an effort to achieve racial balance in the larger district. Such consolidation plans have only led to more busing and the eventual disappearance of the neighborhood school. The end result of an excessive reliance on forced busing and the imposition of arbitrary ratios has frequently been an increasing concentration of the poor and minorities in our central cities and the serious weakening of the very school systems which must serve them. In some cases, the education of minority children has actually suffered, not benefitted, from such plans.

I shall continue to support the passage of legislation which makes busing only a last resort—tightly circumscribed even then. I will also continue to work with the Congress to revise my proposals in light of unfolding events in this area.

FUNDING ELEMENTARY AND SECONDARY EDUCATION

I am encouraged by the interest the Congress has continued to show in legislation which follows the concepts put forward in my proposed Better Schools Act. I believe that meaningful compromise is now possible, and that we can at last reform and consolidate Federal grants for elementary and secondary education, vocational programs and adult education.

I hope that the Congress will include four basic elements in this reform:

—Consolidation of existing categorical grant programs.

—Granting greater decision-making authority to State and local educational agencies.

—Greater equity in the distribution of Federal funds to the States for the education of disadvantaged children.

—Reform of the impact aid program to concentrate support in those districts where the Federal presence has substantially decreased the tax base, rather than those in which it has increased the tax base.

Upon enactment of legislative authorities that accomplish these goals for elementary and secondary education, vocational programs and adult education, I will propose special supplemental appropriations to provide funding for the 1974–1975 school year. This funding would place most elementary and secondary education grant programs on a “forward funded” basis, letting State and local agencies know how much they will receive while plans for the next school year are being made. “Forward funding” is an important concept in the financing of education, and it merits the full support of the Federal Government.

As I noted in my message sent to the Congress on education policy last week, I also recommend additional support for several other educational programs—some old and some new. These include:

—An additional increase in aid to black colleges and other developing institutions during fiscal year 1975, thus quadrupling Federal funds for these important educational institutions since I took office.

—Continuation and extension of the Head Start program, our single largest child development program. In 1975, Head Start will reach 282,000 disadvan-

tagged youths year-round, as well as some 78,000 pre-schoolers during the summer—and it will extend its activities to include handicapped youth.

—The consolidation of eight separate authorities for education of the handicapped into four broader and more flexible programs.

NON-PUBLIC SCHOOLS

I remain firmly committed to the principle of educational diversity. The continued health of the Nation’s non-public schools is essential to this concept. Although governmental efforts aimed at supporting these schools have encountered difficulty in the courts, I believe we must continue our efforts to find ways to keep these schools open.

For that reason, I continue to support legislation which permits tax credits for parents who pay to send their children to non-public schools.

HELPING OUR VETERANS

Twenty-nine million Americans living today have given military service to their country. As a group, veterans are among our most productive citizens. Studies show that they generally have higher incomes, more education, and better health than non-veterans of the same age.

We can be proud of the veterans’ contributions, but we must also be concerned for those veterans and veterans’ families who remain in need.

The assistance provided to veterans and their families in recent years has been substantial:

—Total compensation payments for veterans disabled or killed in military service have been increased from \$2.7 billion

in 1969 to \$3.9 billion in the coming fiscal year.

—Medical care in VA hospitals and clinics has been greatly improved and expanded, with ten new or replacement hospitals now in service and five more in preparation.

—Educational benefits per trainee have more than doubled since 1969.

—Last year two key measures—one expanding health care and the other improving the national cemetery system for veterans—were passed and signed into law.

—Of vital importance, the unemployment rate for Vietnam era veterans has been sliced from 11 percent in early 1971 to 4 percent by late 1973. As a result, Vietnam era veterans have a higher employment rate than others of their same age, a significant achievement that is well deserved.

Earlier this week, in a special message to the Congress, I proposed additional legislation to help veterans in two crucial areas in 1974—pensions and education.

My pension proposals would benefit some 1 million veterans and 1.3 million veterans' survivors who are in economic need because of disability, age, or the loss of a breadwinner. VA pensions already go a long way toward meeting such needs, but the pension structure itself is fraught with inequities and anomalies that are technical in nature but tragic in consequence. My proposals would correct these deficiencies.

Veterans now in training require additional help if their GI bill allowances are to keep pace with rising costs. I shall therefore propose that GI bill benefits be raised by an average of 8 percent.

I have also set a 1974 goal for the Government of placing an additional 1.2 mil-

lion veterans in jobs or job training. There remain sizable numbers of educationally disadvantaged veterans and service-disabled veterans who have never taken advantage of Federal training opportunities and are now unemployed. I have directed that, as a matter of high priority, the Federal Government's efforts to reach these veterans be intensified and that they be counselled and encouraged to use the available services.

EQUAL OPPORTUNITY FOR ALL AMERICANS

This Administration has made a determined effort to secure equal opportunity for those who have been previously denied such opportunity. I am personally very proud of the success those efforts have already achieved, and I am committed to building on that success in the future.

PROGRESS FOR MINORITY GROUPS

Members of racial minority groups have made considerable strides toward equal opportunity in recent years. The following are among the more notable benchmarks of this progress:

—Setting an example as an Equal Opportunity Employer in the past five years, the Federal Government has added more than 35,000 minority group members to its civilian employee roles.

—In the Armed Forces, more than 850 minority-group cadets are now enrolled in the military academies; and whereas prior to 1971 only four minority group members had ever achieved general or flag rank in the armed forces, now sixteen serve on active duty as generals and admirals.

—Federal aid to minority business en-

terprises—one of the cornerstones of the Administration's effort to open new economic horizons for minority group members—has nearly tripled since 1970.

—Civil rights enforcement activities have continued at a vigorous level, with their funding substantially increased.

—Since 1969, combined Federal expenditures on civil rights activities and minority economic development programs have grown from less than \$1 billion to \$3.5 billion.

—Five years ago 68 percent of all black children in the South were still attending all-black schools. Now that figure has been reduced to 8 percent, and the dual school system has been virtually eliminated.

—The Government has also sought to expand job opportunities through legal actions of its own against those who may be engaged in discriminatory practices. During 1972 and 1973 the Department of Justice initiated 34 pattern and practice lawsuits against approximately 207 defendants. These suits directly covered more than 248,803 employees. During the same period of time, approximately 37 cases were fully resolved by entry of decrees and an additional six were partially resolved by the entry of decrees. The decrees entered in those two years alone covered more than 217,000 employees and provide specific goals for the hiring of more than 21,800 minorities and women in traditionally white and male jobs. In addition, those decrees provide new transfer of seniority rights for approximately 12,700 minorities and women and provide for back pay awards which are estimated to amount to well over \$6,000,000.

The real story lies not in these figures themselves, but in the facts and the attitudes they represent. They do not represent a flamboyant promise, but rather a

quiet determination to work not only toward the symbols but also toward the substance of equal opportunity. They represent an effort to build foundations that will last—in particular, the foundation of economic independence, and of a basic faith in the equal dignity of mankind.

JUSTICE FOR AMERICAN INDIANS

For too many years the American Indians—the first Americans—have been the last Americans to receive the rights and opportunities to which they are entitled. This Administration has taken the initiative to change this picture.

For its part, the Federal Government must put behind it the role of autocratic manager of Indian reservations. We shall continue to encourage Indians and their tribal governments to play an increasing role in determining their own future. We are also particularly determined to defend the natural resources rights of Indian people.

The last five years have been historic steps in Federal Indian policy. In 1971, we worked closely with Indian leaders to achieve a settlement of Alaska Native claims, a settlement consistent with America's sense of fairness and also indispensable to the growth and development of all of Alaska.

We also returned lands taken away long ago from the Taos Pueblo at Blue Lake. We returned lands wrongfully taken from the Yakima people. Because the Menominee people have seen their tribal states involuntarily terminated but had nevertheless kept their land and their tribal structure together, the Congress enacted and I signed the bill which restored the Menominee tribe to trust status. In

the courts, we are forcefully asserting Indian natural resources rights, as we have done in protecting Indian rights in Pyramid Lake.

One measure of our attempt to foster a better, more humane policy is the level of Federal funding benefitting American Indians—over twice what it was five years ago or about \$1.6 billion.

I am especially encouraged by the fact that the rate of infant deaths, pneumonia, influenza, and tuberculosis is significantly lower among Indians than ever before. Although we have not yet achieved our full goals of health and educational services for the Indian people that are fully compatible with those of the general population, this progress demonstrates our continuing commitment.

The Congress has shared in these accomplishments in a spirit of bipartisan cooperation. I hope that I will soon have on my desk two more enactments on which Congressional action is progressing: measures to speed Indian economic development and to upgrade the position of the Commissioner of Indian Affairs to the Assistant Secretary level. Also still awaiting Congressional action are four other proposals I have submitted previously: to permit turning over to Indian tribal governments the management and control of Indian programs; to create an Indian Trust Counsel with authority to safeguard Indian natural resources rights; to help ensure that funds for Indian education actually reach Indian children; and to provide greater local control over federally assisted reservation programs through a program of tribal grants.

Looking forward, I shall ask that the Bureau of Indian Affairs make specific plans to accelerate the transfer of significant portions of its programs to Indian

tribal management, although I repeat my assurance that, while accelerated, these transfers will not be forced on Indian tribes not willing to accept them.

THE SPANISH-SPEAKING

The Spanish-speaking citizens of our Nation face special problems in obtaining equal opportunities because of language and cultural barriers. For that reason, my Administration has made a special effort to expand those opportunities.

Our progress on this front is reflected in many ways. Nearly 3,800 Spanish surnamed Americans have been employed by the Federal Government, despite an overall reduction in Federal jobs. The Small Business Administration has also increased its loans to Hispanic businessmen, reaching a total of \$109 million in fiscal year 1973.

In 1969, the Cabinet Committee on Opportunities for the Spanish-speaking people was created. The Cabinet Committee has both made the Government more aware of the needs and the talents of Spanish-speaking citizens and helped to expand Federal employment of the Spanish-speaking. Since the authorization for this organization expires this year, I am asking the Congress to extend its life through June 30, 1975. The Cabinet Committee on Opportunities for the Spanish-speaking serves to focus the Administration's continuing efforts in this important area of concern.

THE RIGHTS OF WOMEN

Both men and women have become increasingly aware of the pattern of sometimes blatant but often subtle discrimina-

tion to which women are subjected. Some of this discrimination can be erased by existing law; some requires new law; some would be rectified by the Equal Rights Amendment, now nearing ratification by the required three-fourths of the States. It is my hope that the Equal Rights Amendment will be ratified speedily so that equal justice under our laws will become a reality for every American.

One of the primary goals of this Administration is to ensure full equal employment opportunity for women by striving to open to women jobs that previously were reserved for men, often simply by habit or custom. Specifically, we have moved vigorously both to enforce the law and to lead by example—by insisting on equal employment and promotion opportunities within the Federal service, by promoting more women into the professionally critical areas of middle management and by continuing our special recruiting drive to bring more women into the highest levels of Government.

To help advance these goals I have appointed the first woman Counsellor to the President, and she, in turn, has set up a new Office of Women's Programs within my executive office. We are particularly proud that this Administration is the first to have women as heads of three independent Federal agencies—the Atomic Energy Commission, the Federal Maritime Commission, and the United States Tariff Commission.

The effort to improve the economic status of women outside the Government is also continuing. The Equal Employment Opportunity Commission, which has been given enforcement power in the Federal Courts, has reported a marked increase in its activities to end sex discrimination in employment.

We will continue to pursue all these efforts with vigor. This emphasis is especially appropriate as we approach 1975, which has been declared International Women's Year by the United Nations.

One especially invidious form of sex discrimination in particular is ripe for correction now through new legislation: the discrimination that often denies women equal access to credit. In an economy that increasingly operates on credit, this is a particularly grievous practice.

The Congress already has before it a proposal to ensure that credit is extended to all persons on an equitable basis, without regard to their sex or marital status. This Administration strongly supports this proposal and is sending to the Congress amendments which we believe will strengthen it even further. I urge prompt consideration and passage of this vital legislation.

PROTECTION AGAINST CRIME AND INVASIONS OF PRIVACY

Over the past five years I have had no higher domestic priority than rolling back the tide of crime and violence which rose in the 1960s. I am therefore especially pleased with the progress we are making on this front:

—After 17 years of continuous and often dramatic increases, crime in 1972 registered its first overall decline. Although in 1973 it again registered a slight increase, it still held below the level of 1971. Now that the momentum of increase has been broken, I am confident that we can look forward to further reductions in crime rates in the years ahead.

—Serious crime in our largest cities was actually reduced by 13 percent between 1971 and 1973.

—In Washington, D.C., where the Federal Government has special law enforcement responsibilities, crime has been cut in half since 1969.

Indictments and convictions of organized crime racketeers have more than tripled since 1969, thanks in large measure to the 1970 Organized Crime Control Act and to expanded Federal interagency strike forces. In addition, of course, the riots, urban terrorism and burnings of the 1960s have now become a thing of the past.

These indications of success do not mean that we should slacken our anti-crime effort, but that we should intensify it. Key elements of our strategy to do so—most of which will require the assistance of the Congress—include:

—Comprehensive reform of the Federal Criminal Code. Last year I submitted a proposal which was based upon the work of the Justice Department and a five-year study completed by the National Commission on Reform of Federal Criminal Laws. The Federal criminal code has not been completely revised in a quarter century and the need for reform is urgent. I call upon the Congress to act expeditiously in reforming our criminal code, to make it both more workable and more responsive to the demands of our complex society.

—Restoration of the death penalty under the Federal Criminal Code for several especially heinous specific crimes which result in the death of innocent victims. Examples of such crimes are hijacking, kidnapping, or bombing.

—Increased Federal assistance to State and local law enforcement agencies. For the next fiscal year, I propose funding through the Law Enforcement Assistance

Administration of \$886 million—up from only \$60 million in 1969.

—Increasing the resources available to the U.S. Attorneys' offices throughout the Nation—offices which have, in the last three years, increased the number of criminal convictions by 28 percent.

—Creation of additional Federal judgeships to assure speedier disposition of criminal cases. Legislation to accomplish this goal is now before the Congress.

—Comprehensive improvement of Federal correctional programs. Already 15 additional correctional institutions have been built, acquired or begun. My 1975 budget request would represent a tripling of 1969's budget levels.

—A new effort to deal more effectively with employment problems caused by the increase in the number of illegal aliens entering this country. Legislation to achieve this objective is also before the Congress.

PROTECTING THE RIGHT OF PRIVACY

One of the basic rights we cherish most in America is the right of privacy. With the advance of technology, that right has been increasingly threatened. The problem is not simply one of setting effective curbs on invasions of privacy, but even more fundamentally one of limiting the uses to which essentially private information is put, and of recognizing the basic proprietary rights each individual has in information concerning himself.

Privacy, of course, is not absolute; it may conflict, for example, with the need to pursue justice. But where conflicts occur, an intelligent balance must be struck.

One part of the current problem is that as technology has increased the ability of government and private organizations to

gather and disseminate information about individuals, the safeguards needed to protect the privacy of individuals and communications have not kept pace. Another part of the problem is that clear definitions and standards concerning the right of privacy have not been developed and agreed upon.

I have therefore ordered an extensive Cabinet-level review—which will be undertaken this year—of both government and industry practices as they relate to the right of privacy, of the conflicts that arise and the balances that must be struck between legitimate needs for information and the right of privacy, and of those measures—including appropriate legislation—that can be taken to ensure that these balances are properly struck.

ENDING DRUG ABUSE

During the decade of the '60s, increasing numbers of Americans—including a high percentage of young people—each year turned to heroin and other drugs in search of “new highs” and “synthetic solutions” to the problems of life. In this retreat from reality, the Nation's drug problem grew dramatically. Residents of our proudest cities were gripped by fear as addicts turned to crime to support their habits, and thousands of families suffered devastating personal tragedies.

I am pleased to be able to report that since then, Federal spending on drug treatment and enforcement have increased tenfold, and progress has been made. We have indeed turned the corner on hard drugs:

—Better drug law enforcement, at home and abroad, has caused an acute heroin shortage throughout much of the country.

—Enough treatment capacity has now been created so that virtually all addicts who want medical help and counselling can get it.

—Our drug abuse indicators all suggest that we have at last succeeded in reducing both the total number of heroin addicts and the number of new addicts.

Nevertheless, the drug battle is far from over.

For the sake of the next generation, I am determined to keep the pressure on—to ensure that the heartening progress made to date is translated into a lasting victory over heroin and other drugs.

As enforcement efforts meet with success in one area of the world, pressure increases on other trafficking routes. To meet these new threats, we will step up our support of joint drug enforcement programs. I have also directed that plans for increased vigilance at our own borders be put into effect.

In the treatment area, we are intensifying our efforts to encourage hard-core addicts to undergo treatment.

To provide added incentive for those not motivated to seek help on their own, I have directed Federal agencies to expand their support for local programs which direct addicts charged with crimes into treatment pending trial and sentencing.

Continued progress will also require help from the Congress:

—I will shortly recommend severe new penalties for both heroin traffickers and those engaged in illegal distribution of other illicit drugs. This legislation will supplement my proposals currently pending before the Congress.

—The Psychotropic Convention, a key international treaty regulating manufactured drugs worldwide, has—after 2½

years—still to be ratified. Affirmative action in this session is of the utmost importance.

I will continue to pursue a balanced approach to the drug problem in the next year by emphasizing both vigorous law enforcement, and treatment and rehabilitation programs to help speed the return of ex-addicts to productive lives in society.

ENHANCING THE ENVIRONMENT

Both our Nation and the world have made imposing strides during recent years in coping with the problems of our natural environment. Building upon well-justified concerns, we have created institutions, developed policies and strategies, and deepened public understanding of the problems that face us.

Now we are entering the second phase of environmental action. It may prove to be a more difficult period.

In this second phase, we will be looking at our environmental problems in new ways which are more complex and far-reaching than those to which we have been accustomed. We must be concerned not only with clean air, clean water and wise land use but also with the interaction of these environmental efforts with our need to expand our energy supplies and to maintain general prosperity.

In facing up to these tough, new problems, we can draw strength from the progress we have already made and from the knowledge that there can be no turning back from our general commitment to preserve and enhance the environment in which we live.

Our record over these past five years includes the vigorous enforcement of air quality legislation and of strengthened water quality and pesticide control legis-

lation, the enactment of new authorities to control noise and ocean dumping, regulations to prevent oil and other spills in our ports and waterways, and legislation establishing major new parks, recreation and wilderness areas.

We have also tried to reorganize the Federal structure in ways that are more responsive to environmental needs. The National Environmental Policy Act, passed in 1969, has provided a basis for reform in our Federal agencies and has given citizens a greater opportunity to contribute to environmental decisions. In 1970, I established the Environmental Protection Agency and National Oceanic and Atmospheric Administration to provide more coordinated and vigorous environmental management. Also in that year, I appointed the first Council on Environmental Quality.

PRODUCING RESULTS

The results of our vigorous anti-pollution efforts are now being seen and felt.

In our major cities, levels of dangerous sulfur oxides and particulates have declined, and pollutants from automobiles have been reduced. Water pollution is being conquered, assisted by a massive Federal commitment of over \$14 billion in municipal treatment plants during this Administration. Major misuses of pesticides are now under control, and major sources of noise are being regulated for the first time.

During these five years, Federal agencies have acquired over 800,000 additional acres for preservation for future generations, many of them near our heavily-populated urban centers such as New York and San Francisco. In addition, the Legacy of Parks program, which I ini-

tiated in 1971, has made massive strides in bringing parks to the people. To date, 400 separate parcels covering almost 60,000 acres of under-utilized Federal lands in all 50 States have been turned over to State and local governments for park and recreational use. Many of them are near congested urban areas. We will continue to expedite transfer of additional surplus properties to State and local governments for park and recreation use.

IMPROVING THE WORLD ENVIRONMENT

On our small planet, pollution knows no boundaries. World concern for the environment is as necessary as it is encouraging. Many significant international actions have been taken in recent years, and the United States can be proud of its leadership.

These actions have included the signing of international conventions to protect endangered species of wildlife, to regulate ocean dumping, to extend the national park concept to the world, and to control marine pollution.

A United Nations Environment Program was established last year. With it, the UN Environment Program Fund came into being, fulfilling a proposal I had made in 1972.

Under the US-USSR Environment Agreement, which I signed in Moscow in May, 1972, Soviet and American scientists and environmentalists have been actively working together on serious environmental problems.

THE CHALLENGE AHEAD

As part of this Administration's continuing effort to conserve outdoor recreation areas, my new budget will propose

full funding of the Land and Water Conservation Fund for 1975. Nearly two-thirds will aid State and local governments in acquiring their own recreation lands and facilities. Coupled with the change I have proposed in the formula for allocating funds to the States, this measure would encourage the development of more recreational sites closer to the places where people live and work.

This year we have the unique opportunity and responsibility to determine the future use of enormous land areas in America's last great frontier—Alaska. Last month, in accordance with the Alaska Native Claims Settlement Act, I transmitted to the Congress recommendations that would add 83.47 million acres in Alaska to the National Park, National Forest, Wildlife Refuge and Wild and Scenic Rivers Systems. If the Alaska frontier is thoughtlessly developed, it will be gone forever. But we now have the opportunity to make considered judgments as to the appropriate uses of these outstanding Alaskan lands for the American people of all future generations.

This session of the Congress has before it 17 major natural resources and environment proposals that I have previously submitted, and on which I again recommend action. These include:

—*Department of Energy and Natural Resources*: While I discuss this new department elsewhere in this message, I want to reemphasize that I consider it of cardinal importance in ensuring that complex, interrelated environmental and natural resource issues receive an appropriately wide policy overview and administrative coordination.

—*National Land Use Policy*: Adoption of the National Land Use Policy Act, first proposed in 1971, remains a high priority

of my Administration. This legislation would reaffirm that the basic responsibility for land use decisions rests with States and localities—and would provide funds to encourage them to meet their responsibility. I am pleased that the Senate has passed legislation incorporating some of the policies that I proposed. I urge the Congress to pass legislation which would assist States and localities, but which does not inject the Federal Government into their specific land use decisions.

—*Coastal Wetlands*: These environmentally vital wetlands are increasingly threatened by development. My proposed Environmental Protection Tax Act would amend Federal tax laws to discourage the unwise use of these areas, and to enhance our opportunities for sound land use planning within the coastal zone.

—*Wilderness*: Traditionally, we have looked westward for our wilderness areas. Last year, however, I proposed that 16 Eastern areas be designated as “wilderness” and that 37 others be studied for possible wilderness designation.

—*Historic Preservation*: Because we have an irreplaceable historic and architectural heritage, I have proposed an Environmental Protection Tax Act to discourage the demolition of historic structures and to encourage their rehabilitation.

—*Big Thicket National Biological Reserve*: The Big Thicket area of east Texas is a biological crossroads unique in the United States. I am gratified that the House has acted and I urge the Senate promptly to consider my proposal to preserve key segments of the Thicket in a Big Thicket National Biological Reserve.

—*Big Cypress National Fresh Water Reserve*: Protection of the Big Cypress

Swamp in Florida is essential to the preservation of the water supply in the Everglades National Park. I have recommended legislation which would authorize the acquisition of over 500,000 acres, enabling us to protect this vital water supply.

—*Public Land Management*: The Secretary of the Interior needs additional authority to protect the environmental values of our public domain lands. I again urge that he be given that authority.

—*Controlling Pollution*: Three of my legislative proposals aimed at controlling pollution have not yet received final Congressional action:

—*Toxic Substances*: New chemicals with unknown environmental effects come into use each year. Authority to test these substances and to restrict their use in the event of danger, while still permitting the orderly marketing of needed chemicals in a timely fashion, is highly desirable.

—*Hazardous Wastes*: Disposal of wastes on land is increasing due to advances in industry and technology and because of our stringent controls on air and water pollution. These wastes can be hazardous to human health and other forms of life. My proposal provides for national standards for treatment and disposal of hazardous waste with primary regulatory responsibility resting with State governments.

—*Safe Drinking Water*: The water we use in our homes should not endanger our health. Under my proposal on safe drinking water, Federal standards would provide health protection by requiring strict limitation of any contaminants in drinking water, but primary enforcement responsibilities would be left to the States. Alternative legislation is now being seri-

ously considered by the Congress which would require unnecessary Federal standards on operating treatment plants, generate a domineering Federal enforcement role, and create several new categorical subsidy programs.

COMMUNITY DEVELOPMENT

Although American communities share many of the challenges of our age, the relative intensity and the particular nature of these challenges vary sharply from one community to another.

The current way of providing most Federal aid to our communities—with each dollar tied to a string pulled and manipulated by a Federal planner—is wrong. Much of the money that pays the Federal planners could better be spent in the local community; the decisions made by the planners could better be made by the people who live on the scene.

In these past few years, we have sought to change the old system. We have recognized that the Federal policy that will work best is one that helps the people of a particular community define their own needs and meet those needs in the way which they consider best. While in this Administration we have tried to be generous, we have also tried to grant communities greater freedom to set their own priorities. Since 1969, we have:

—Spent twice as much money on community development programs as the Federal Government had spent for this purpose in the entire previous history of the Nation.

—Reduced the red tape and arbitrary restrictions on local action that were so much a part of these programs in the past.

—Moved authority for administering community development programs from

Washington to the field, where administrators are more accessible to local officials, and where they can become more familiar with local problems.

—Stepped up Federal support for State and local planning and management, again spending more for this purpose than had been spent in all previous years combined.

As a result, not only have cities received *more* Federal dollars, but they have been able to accomplish *more* with each dollar than before.

Despite this progress, we need a much more sweeping reform than has been possible under existing laws. Therefore, I once again urge passage of *The Better Communities Act*, a \$2.3 billion bill which would give local officials new flexibility and provide greater effectiveness in the expenditure of Federal community development funds. This legislation would consolidate seven categorical grant programs into a single program. Funds would be distributed on the basis of need, and then local communities could decide for themselves what projects should come first. Thus we could eliminate a mountainous volume of red tape and allow local government to play a larger role in determining their own destinies.

Two Congresses have now addressed community development legislation. Both of them have agreed, for the most part, with the basic principles and approaches that the Better Communities Act represents. But we have still had no action. Cities and towns that have counted on having this legislation in effect in the next fiscal year now face an uncertain future. I urge the Congress to move ahead as quickly as possible with the Better Communities Act—and I pledge every effort to work out our remaining differences so

that our cities and towns can benefit from this program as soon as possible.

I also urged the 93rd Congress to pass the *Responsive Government Act* that I submitted last year. This measure would enable State and local officials to improve their planning, decision-making and managerial capabilities through broad-based, flexible grants.

RURAL DEVELOPMENT

Over \$12 billion has been invested in rural development through Agriculture Department programs alone during the five years of this Administration. Annual Federal funding for these rural development programs has been tripled during that time. These funds have been spent for:

—Rural housing, where more than \$6.4 billion has been provided through 487,000 housing loans.

—Electrification and telephone systems, where over \$3 billion has been spent to bring service to 177,000 new rural consumers.

—Water and waste disposal, where some 8,500 loans and grants totaling \$1.4 billion have been provided to rural communities for water and waste disposal systems.

—Loans to farmers, who received more than 489,000 loans totaling over \$4.2 billion.

In addition to these efforts under Department of Agriculture programs, almost 200 other Federal programs have had a significant impact on rural areas. As a result, rural residents receive as much Federal support per capita as residents of urban areas.

During the past year we have markedly increased our activity on behalf of the Nation's rural residents:

—During 1973, the Rural Development Act was funded for the first time to provide over \$750 million in loans and grants to States under procedures which give them a new flexibility in promoting rural industrialization and in improving the quality of rural life.

—An interim rural housing policy was developed, placing greater emphasis on more effectively utilizing existing housing and making Farmers Home Administration programs more responsive to those with the greatest housing needs.

—To ensure continuing Government attention to rural development needs, this Administration has also created both a special Cabinet-level Rural Development Committee and the new post of Assistant Secretary of Agriculture for Rural Development.

As we look to the future patterns of national growth, we must never forget that the prosperity, the vitality and the character of rural America are essential cornerstones of our Nation's balanced growth. It is essential that rural America receive its proper share of our attention—and I am determined that this shall be the case.

HELPING DISASTER VICTIMS

Seldom is swift and effective Government action needed so urgently as when a natural disaster strikes.

Since taking office, I have had to declare over 160 major disasters in 42 States and in 3 territories. In recent years, the amount of Federal assistance given to disaster victims has been greatly ex-

panded, and we have also pressed an intensive effort to provide this aid more equitably and expeditiously.

Since more than 90 percent of all property damage resulting from natural disasters is caused by floods, I was especially pleased by the Congress approval last year of our proposed Flood Disaster Protection Act, which significantly expands and improves the national flood insurance program.

More remains to be done, however, if we are to meet our basic humanitarian responsibility to those who fall helpless and innocent victims to nature on the rampage. Therefore, I have also proposed a Disaster Preparedness and Assistance Act, which places new emphasis on the essential element of preparedness, while also increasing the role of State and local officials in allocating Federal disaster funds and cutting the tangle of red tape. It also provides for the automatic use of Federal resources when major disasters strike, and it includes generous grant features for those individual disaster victims unable to repay Government loans, as well as for communities faced with the task of restoring damaged public facilities.

That natural disasters will continue to strike is certain; the only uncertainty is how well prepared we will be. As a generous and compassionate Nation, we should be prepared to give the victims of these disasters the prompt and effective help they so desperately need.

BETTER HOUSING FOR ALL

As I have stated many times, this Administration will not waver from the Federal commitment first outlined in the Housing Act of 1949: "a decent home

and a suitable living environment for every American family."

The state of America's housing will continue to depend on the state of America's economy more than on any other factor. The forces of the marketplace are the forces that count the most—families with sufficient real income and sufficient confidence to create an effective demand for better housing on the one hand, and builders and credit institutions able to respond to that demand on the other.

The Federal Government must play a major supporting role through its actions in the mortgage credit market and its help for low income families who need assistance in obtaining adequate housing.

Last September, as credit for housing was becoming increasingly scarce, the Administration acted to make more credit available to home buyers. Recently, mortgage market conditions have begun to improve. However, to assure continuing improvement, I recently authorized a reduction in the maximum allowable interest rate for mortgages insured by the FHA, the Farmer's Home Administration and VA—a more than \$6 billion mortgage insurance program that will assist in financing the construction of up to 200,000 housing units.

These actions should have a favorable impact on housing production. If the anticipated results are not fully achieved I will recommend further action to ensure a reasonable level of production.

In the last five years a substantial effort has been made to address the country's housing problems:

—Largely because of a general upswing in the economy, housing production has occurred at record levels.

—FHA mortgage insurance has enabled nearly 3½ million families to purchase homes.

—Over two million units of subsidized housing for low and moderate income families have been approved, more than during the previous 33 years of federally subsidized housing programs.

—Over \$1.4 billion has been committed to improving and modernizing existing public housing.

—Subsidies to local housing authorities have grown from \$33 million in 1969 to \$350 million in 1974.

Even as good housing has become a reality for most Americans, it is clear that important problems still exist. Two are especially significant. First, our credit institutions often encounter problems in providing adequate housing credit. Second, too many low income families are unable to obtain adequate housing—even as good housing sits vacant in their community. We must help them to meet their needs.

In order to increase the availability of housing for all families, I urge passage during this session of two key measures I have already proposed:

—The Financial Institutions Act to enable savings and loan associations to compete more effectively for funds during periods of tight money, as well as to encourage increased investment in housing through a tax credit on income earned from residential mortgages.

—The Administration's proposed Housing Act which would ease the present tight mortgage credit situation and make homeownership easier in the long term by:

—Authorizing increases in the permissible mortgage amounts eligible for FHA insurance.

—Permitting home buyers to pay market interest rates on FHA and VA insured mortgages, and reducing the cost of buying a home by doing away with the present system of charging points on mortgage loans.

—Authorizing on an experimental basis more flexible repayment plans on FHA insured mortgages.

—Authorizing more flexible interest rates, longer repayment terms and higher amounts for mobile homes and home improvement loans.

This legislation would extend authority for extensive experiments with a new approach—direct cash assistance—for addressing the housing problem of low income American families. Despite the commitment of over \$66 billion, evidence has clearly shown that the subsidized housing programs for low income families have not worked well. Instead of programs to treat symptoms, I will continue to press for a longer term solution—which goes to the root of the problem—lack of sufficient income—and which permits the private housing market to work in as efficient a way as possible. Additionally, this legislation would improve the operation of our existing public housing projects, by helping them move to a more effective, efficient and self-sufficient basis of operation.

IMPROVING TRANSPORTATION

The energy crisis has made urgent what once seemed only necessary: the building of a transportation system that permits all Americans to travel efficiently and at reasonable cost.

While some elements of our transportation system—such as the Federal highway network—have been dramatically im-

proved or expanded in the past decade, others—notably the railroads—have fallen into serious difficulties. It is also apparent that our public transit system must be greatly improved within our urban centers. The measures already taken and others which I shall propose this session are particularly important in helping to deal with the energy crisis by encouraging a more sensible utilization of our transportation resources.

During the past four years, several key measures have helped lay the basis for a greatly improved transportation system.

Under the Urban Mass Transportation Act of 1970, we increased annual Federal aid to urban public transportation to \$1 billion by 1973—8 times the level of 1968—and in 1973 another \$3 billion was made available for the years immediately ahead. For the first time since World War II the downward trend in transit ridership has been reversed, and is now moving upwards. And for the first time, under the provisions of the Federal-Aid Highway Act of 1973, States and localities can now use a portion of their Federal highway funds for public transit purposes.

There has also been improvement of rail passenger service under AMTRAK, a public corporation created by the Rail Passenger Service Act of 1970. After years of steady decline in rail passenger service, the past year saw a 14 percent increase in the number of passengers carried on AMTRAK.

Just this past year, we also went to work to avoid a major rail crisis through passage of the Regional Rail Reorganization Act of 1973, which provides for the restructuring of the bankrupt railroads of the Northeast and Midwest region into a streamlined system. By 1976, we hope that the affected railroads will be able to

operate profitably and can survive as producers, not consumers, of tax revenues.

Significant new initiatives have also been taken in airport and airway development, making vitally needed improvements in the merchant marine, and in promoting transportation safety, especially on our Nation's highways.

Clearly, however, there is still much to be done. It is my hope that 1974 will be the year when we make major advances by enacting two critical transportation bills.

One of these proposals, which I will send to the Congress in the near future, would give our communities not only more money but also more freedom to balance their own transportation needs—and it will mark the largest Federal commitment ever to the improvement of public transportation. This bill would increase Federal assistance for metropolitan areas by nearly 50 percent over the level of fiscal year 1974. More than two-thirds of those funds would be allocated by formula to State and local governments and those governments could better determine their own transportation priorities, choosing between construction of highways or public transit systems, or the purchase of buses or rail cars. Additional transit aid would also be made available to rural communities for the first time.

Under this bill resources would also be available for the first time to augment the operating funds for public transportation systems in both urban and rural areas. By permitting Federal resources to be used for operating purposes, this proposal should make it unnecessary to establish a new categorical grant program for transit operating subsidies, as is now contemplated in bills before the Congress.

As a second major transportation initia-

tive this year, I shall propose that we modernize the regulatory system governing railroad operations. This legislation would make it easier for railroads to consolidate service on a sustainable basis. It would make changes in the system of rate regulation to allow rail carriers to compete more effectively with one another and with alternative modes of freight transportation. Discriminatory State and local taxation of interstate carriers would be barred. It would also provide \$2 billion in Federal loan guarantee authority to finance improvements in rights-of-way, terminal and rail plant facilities, and rolling stock, where necessary, which would be a major step in our effort to improve the Nation's railroad system.

Additional transportation measures I shall soon propose will include:

—Improvements in highway safety through the earmarking of approximately \$250 million of the 1975 Federal highway program for the elimination of death traps from the highways—by, for example, improving high-hazard intersections and replacing dangerous bridges. New bonus grants to the States will also be initiated to encourage the adoption of improved safety legislation and to reward States for outstanding safety accomplishments.

—A restructuring of the airport and airway financing system to allocate costs more equitably among the users of our airways and to provide more flexibility in the use of funds.

DISTRICT OF COLUMBIA

Last Christmas Eve, when I signed the new home rule bill into law, the Nation's Capital reached a significant milestone. If the voters of the District accept the

proposal in the forthcoming referendum, the city will soon have its first elected mayor and city council in 100 years. In addition to giving the citizens of our Nation's Capital the right to elect their own officials and a greater role in decisions affecting local affairs, the act also transfers to the District functions now carried out in Federal agencies which should rightfully be under local control.

In order to accomplish this transfer of responsibilities to the local government, much work will have to be done. This Administration will make every effort to assist in that transfer and to ensure that it is both timely and effective.

While our attention to the affairs of the District of Columbia has been captured by the transition to home rule, we must not ignore another important task before us. As the city moves into a new era of self-government, it must also prepare for the Nation's celebration of the Bicentennial.

A Federal Bicentennial Task Force has been working to ensure that the Federal Government meets its financial and program commitments in the Nation's Capital. Under the leadership of the Bicentennial Coordination Center, which I established over two years ago, a number of projects are moving forward. The National Visitors' Center, Constitution Gardens, the Eisenhower Civic Center, the Fort Circle Parks, the National Air and Space Museum and other projects will contribute enormously to the celebration which takes place here in 1976. In addition, the Pennsylvania Avenue Development Corporation will soon present its plan to restore and improve this central, historically important thoroughfare.

During the coming year, I also urge the Congress to take action on pending

legislation to create a District of Columbia Development Bank, which would do much to broaden the economic base of the District.

THE BICENTENNIAL

As we near the celebration of America's Bicentennial, which officially begins in March of 1975, the tempo of preparations has picked up. A sound organizational framework has now been established, with the approval by the Congress last year of a new American Revolution Bicentennial Administration. Each of the 50 States, the District of Columbia and the four territories has also established its own Bicentennial Commission to plan and coordinate local Bicentennial projects. Some 370 counties, cities, towns, villages and tribal units have been recognized as Bicentennial Communities, and some 600 applications for this designation are currently being reviewed.

On the Federal level, I have created the Domestic Council Committee on the Bicentennial. This Cabinet-level Committee has approved the goals for Federal participation in the Bicentennial, established an Interagency Bicentennial Task Force, and approved over 200 Bicentennial projects of the Departments and agencies.

The Department of the Interior will complete the development of historically significant National Park sites; the National Foundation on the Arts and the Humanities will support cultural activities relating to the Bicentennial; and many of our other national institutions, such as the Smithsonian Institution, will present special exhibitions across the Nation.

Other nations are actively responding to the "Invitation to the World" that I

issued on July 4, 1972 to participate with us in this celebration which is not ours alone, but one which draws on the heritage of every nation from which people have come to our shores.

In celebrating America's Bicentennial, we shall, of course, commemorate our national achievements. We shall honor our celebrated leaders even as we remember those whose contributions were less well known. We shall take stock of our shortcomings and resolve to overcome them.

What we will celebrate most of all in 1976 will be the vitality of the American people. We have tried to ensure that Federal Bicentennial activities reflect the diversity which is ours alone, and which is appearing in community Bicentennial planning across the country.

CULTURE AND COMMUNICATIONS

When I took office in 1969, I was determined to give support to the goal of substantially strengthening the arts and humanities in the United States. The result has been the rapid growth of the National Endowment for the Arts and the National Endowment for the Humanities—which had existed before but at a very low level of activity.

In the current year, the National Endowment for the Arts will spend \$60.8 million on a large scale of programs intended to enrich America's cultural present and future. A broad range of individuals as well as institutions, both public and private, are being assisted. And special support is being given to projects which will add to the celebration of our Bicentennial.

The Congress has in the past given strong bipartisan support to the Arts Endowment. That same support will be

needed in the future. Increased Federal funds, eliciting greater financial support from the private sector and State and local governments, will ensure the flourishing of American arts in the years ahead.

The National Endowment for the Humanities has likewise made outstanding contributions to the stimulation of our intellectual and cultural life. One measure of the growing importance of its activities is the fact that the Humanities Endowment has a program today which is ten times as large as it was five years ago.

The Humanities Endowment will also play a major role in promoting the Bicentennial and will emphasize activities which reach large numbers of people, such as film and television productions and traveling exhibitions.

In America, television is by far the best means of communicating with the widest audience. To assure the American audience a greater range of television programming of a type not financially feasible for commercial television, we have dramatically increased our support for public television in the last five years.

Public Broadcasting matured during the past year. Both the television and radio licensees reorganized themselves in a way which encouraged a more rational relationship between them and the Corporation for Public Broadcasting, and increased the ability of each local station to provide programs uniquely tailored to their local communities.

Another aspect of electronic media that has recently become a public policy issue is cable television, a development that could lead to a vast expansion of the Nation's communications capabilities. In June of 1971, I established a Cabinet Committee to develop proposals for a comprehensive national policy on cable

communications. I have recently received and am now reviewing the report which is the product of that committee. I have also asked the Director of Telecommunications Policy to prepare legislation to move toward the adoption and implementation of a national cable television policy and I expect to submit such legislation to the Congress in the near future. I encourage the Congress to review carefully the issues presented by cable television and I especially encourage a widespread national debate on this subject which could play such a major role in all of our lives during the future.

SCIENCE AND TECHNOLOGY

One of the great strengths of this Nation has been its preeminence in science and technology. In times of national peril we have turned to the men and women in the laboratories in universities, Government, and private industry to apply their knowledge to new challenges.

Once again, in the current energy crisis, we are calling upon them to respond. I have outlined, in my recent energy message to the Congress, the first step in a five-year, \$10 billion research and development effort in energy: \$1.8 billion for direct energy R&D for the coming fiscal year and an additional \$216 million for supporting research—a total increase of 80 percent over this year.

A look at the broad scope of this energy effort tells a great deal about our confidence in the capabilities of the Nation's scientists and engineers. We are calling on them to accelerate the development of nuclear power systems, to determine how we can use our abundant supplies of coal in ways that are environmentally acceptable and to improve technology for har-

nessing natural energy sources such as the sun and the heat of the earth. At the same time, we are asking them to explore new ways of conserving the energy that we already use for everyday conveniences such as our automobiles.

This Administration recognizes that the need for progress in every major area of American life requires technological input. We are therefore committed to giving all our major programs a broad scientific underpinning. The new budget will call for an increase of over 20 percent in civilian research and development expenditures.

In addition to a major increase for energy, research and development funds will be spread across a large number of programs for enhancing the prosperity, well-being, and health of Americans. Science will continue to be vital to our efforts to fight drug abuse, to prevent infant mortality, to combat venereal disease, and to aid in treating mental illness.

We will call upon the services of our scientists and engineers to design better forms of transportation, and to make safer the transportation we already have. We will examine ways of making our vast agricultural establishment yield more food at lower prices, and try to lessen agriculturally-related pollution. We will attempt to develop methods of mining that will not only yield greater mineral wealth but also give the miner greater safety and the landscape greater protection. We will study ways to protect our wildlife from natural and man-made attack, and we will attempt to learn how to protect ourselves from the violence of nature in the form of floods, landslides, earthquakes, tornadoes, and other natural calamities.

This Administration recognizes the vital

role which the social sciences must play in America's growth. Money will be made available for studying the social effects of various Government income distribution and redistribution plans, such as social security, welfare benefits, health insurance, and varied and experimental educational forms.

In every great area of national endeavor, the Administration will see that adequate funds for making scientific progress are spent.

That also means we will continue our important efforts in space. The exploration of space is today making a key contribution to man's understanding of his universe and to our abilities to manage our resources on earth wisely. As our Skylab astronauts have proven, space is now an acceptable working environment for man.

While we explore our planetary system, the stars, and the galaxies, we are also using space technology to monitor the earth's environment. The Earth Resources Technology Satellite is allowing us to search for scarce resources from high above the earth. Already, many of our intercontinental communications are by satellite. This year new commercial satellites will also be used for domestic telephone, telegraph, and television services. Satellite weather forecasting is now commonplace as a result of our space efforts.

Space exploration in the future should become more economical as we develop the Space Shuttle, a reusable vehicle for space transportation. A cooperative international aspect of the space program will come with the European developed Space-lab as an integral part of the Shuttle program. In addition, we are now moving

full speed ahead with our plans for a joint space venture with the Soviets in 1975.

THE NEW FEDERALISM

Just as the rapidly changing and increasing demands placed upon Government have made it necessary to reorganize the Federal structure, they have made it even more imperative to make State and local government stronger and more effective.

During the last four decades, almost every major attempt by the Government to meet a major social need has resulted in a new national program administered in Washington by a new bureaucracy. Forty years ago there were more than 600,000 Federal employees; today there are more than 2.7 million. In the last decade, this problem has grown acute. In 1960 there were some 200 Federal grant-in-aid programs with outlays of \$8 billion, but by 1970 there were nearly 1,000 and the total outlays had risen to \$22 billion. And in the next fiscal year we expect outlays for grant-in-aid programs to reach \$52 billion, even after our substantial efforts to cut their number. This growth in size, power and complexity has made the Federal Government increasingly inaccessible to the individual citizen it seeks to help.

Many of our new national social programs have actually impeded the development of effective local government. By creating a Federal categorical grant system of staggering complexity and diversity we have fostered at the State and local level:

- Overlapping and wasteful programs;
- Distorted budgets and priorities;
- Additional administrative expense;

—Delay and uncertainty; and

—A diminution in the authority and responsibilities of State and local elected officials, as Federal grants have become the special province of competing bureaucracies.

In one of the basic new directions of my Administration, I proposed in 1969 that we create a new and fundamentally different relationship between State and local government, on the one hand, and the Federal Government on the other. This new relationship has come to be known as the New Federalism. As I said in 1969, its purposes are:

—To restore to the States proper rights and roles in the Federal system with a new emphasis on local responsiveness;

—To provide both the encouragement and necessary resources for local and State officials to exercise leadership in solving their own problems;

—To narrow the distance between people and the Government agencies dealing with their problems;

—To restore strength and vigor to State and local governments where elected officials know best the needs and priorities of their own constituents; and

—To shift the balance of political power away from Washington and back to the country and the people.

With the help of both the Congress and the Administration, this new relationship among local, State and Federal governments has begun to take shape:

—In 1972, the Congress enacted our General Revenue Sharing program, and already more than \$11 billion of new money has been put to work in over 38,000 units of State and local government.

—Funding through the Law Enforcement Assistance program has demon-

strated the flexibility of the New Federalism in leaving to State and local authorities the decisions on how best to combat crime in their jurisdictions. This program has helped to make America's streets safer for our citizens.

—The Comprehensive Employment and Training Act which I signed into law in 1973 is a landmark example of the New Federalism's broad and more flexible forms of assistance—and it represents a leading example of what can be achieved when the Executive and the Congress team up to enact solid legislation.

—New authorities under the Rural Development Act are being exercised this year in a way which is supportive of State and local development plans and priorities.

—In addition, within the limits of law, we have moved administratively to strengthen the role of State and local governments by simplifying and streamlining Federal grant systems—including procedures for State and local review of project proposals affecting their jurisdictions, opportunities for grant integration and joint funding, and the decentralization of many Federal activities to ten Federal Regional Councils.

In the remaining three years of this term I shall continue to take every sound administrative action within the authorities available to me to support and strengthen State and local government, but we must have the support of the Congress to maintain the progress which has begun. Proposals for furthering the New Federalism now before this body and for which I urge your support include:

—Federal education reforms to consolidate support for elementary and secondary schools as well as vocational and

adult programs, and to promote better planning on the local level through advance funding.

—The Better Communities Act, to replace several ineffective and restrictive urban programs with a flexible approach that would allow local officials to make essential decisions on the way community development funds would be spent.

—The Responsive Governments Act, to provide needed Federal assistance for improving State and local planning, decision-making and management capabilities. This would help to strengthen the capacity of State and local governments to assume greater responsibility for the administration of their own programs, whether federally assisted or not.

—The Disaster Preparedness Act, to increase the role of State and local officials in allocating Federal disaster funds and to cut the tangle of Federal red tape.

In addition to these proposals now pending, a number of the new initiatives that I describe elsewhere in this message also reflect the principles of New Federalism. These include:

—A new public transportation initiative that would permit States and localities—both urban and rural—to allocate highway and mass transit funds in accordance with local conditions and priorities.

—An economic adjustment assistance program, that would help States and communities to create employment opportunities where they have been affected by structural changes in their economies which has brought about persistent unemployment or depressed incomes.

—In the field of health, a comprehensive health insurance plan which would bring protection against medical expenses within the reach of all our citizens.

MAKING GOVERNMENT WORK BETTER

On taking office five years ago, one of the first needs I sought to address was the organization of the executive branch of Government—for the plain fact is that the only way Government gets anything done is through its organizational structure, and how well it can perform depends in large measure on how well it is organized.

Because the needs of the Nation continue to change, and because the activities of Government must respond to those changes, the patterns of Government organization that might have been fine in the 1930s or even in the 1960s, may be hopelessly out of date in the 1970s. Therefore, early in my first term I established an expert commission to survey the organization of the executive branch and to recommend improvements to meet present-day needs. The reports of this commission contributed significantly to the reorganizations that I ordered and that I recommended, including the proposal I put forward three years ago for a sweeping reorganization of the executive branch, consolidating seven of the present Cabinet departments into four new units.

Although this basic restructuring has not been enacted by the Congress, other progress of a substantial nature has been made in modernizing the Government. For example, we have established:

—The United States Postal Service, taking the post office out of politics;

—The Office of Management and Budget, providing a strong management arm to assist in coordinating the functions of the executive branch;

—A restructured National Security Council;

—The Domestic Council to coordinate domestic policy formulation;

—The Council on Environmental Quality, the Environmental Protection Agency, and the National Oceanic and Atmospheric Administration, all to provide leadership in meeting our vital environmental needs;

—The Special Action Office for Drug Abuse Prevention and the Drug Enforcement Administration;

—The Council on Economic Policy, to facilitate the formation and execution of overall economic policy;

—The Council on International Economic Policy, to focus on an area increasingly important both to our foreign relations and to our domestic economy;

—ACTION, to provide stronger coordination and incentives for volunteer activities;

—The Cost of Living Council, to help stabilize prices; and,

—The Federal Disaster Assistance Administration, to help individuals and communities struck by natural disasters.

Each of these reorganization steps was designed to meet a specific need more effectively, or to respond to newly urgent needs. Several were accomplished under the reorganization plan authority which has been available to every President in the last 25 years, but which expired last March. This authority—which is utilized only with the concurrence of the Congress—continues to be necessary in order to keep abreast of changing needs, and I urge that it be reinstituted.

Of special concern today is the reorganization of the Government to meet the energy crisis. I have by Executive Order already established the Federal Energy Office to serve as a focal point for energy actions taken by the Government.

But that office lacks a statutory base and does not have sufficient authority to do the full job. That is why I have asked the Congress to establish the Federal Energy Administration and I once again urge it to act on this matter. Recognizing that this country should no longer remain dependent upon foreign energy sources, I have also urged the creation of an Energy Research and Development Administration to develop the necessary technology to tap new domestic sources of energy and a separate Nuclear Energy Commission to carry on the regulatory activities presently assigned to the Atomic Energy Commission.

While these organizational initiatives are needed now, the best organization to knit together the future energy and natural resource programs of the Federal Government would be a comprehensive Department of Energy and Natural Resources. This concept is consistent with the major Federal departmental reform I submitted to the Congress in 1971. Today, I again urge swift, favorable action by the Congress on this proposal so that we will have the broad organizational base that will ultimately be needed to meet many of our energy needs in the most effective manner and to balance energy and natural resource considerations in the future.

That same consolidation and reorganization of the executive branch that I proposed in 1971 would also have created new departments for community development, human resources and economic affairs. The basic problems of fractionated, sometimes overlapping and often conflicting organizations that prompted these original proposals remain acute today. I therefore urge the Congress to join with

me in a serious effort to achieve an effective reorganization in these areas.

In view of the close relationship between food assistance programs and other income security programs, I will also propose new legislation to transfer the food stamp and related programs from the Department of Agriculture to the Department of Health, Education and Welfare.

Another important organizational proposal still awaiting Congressional action is the creation of an independent Legal Service Corporation. My Administration will work closely with the Congress in the weeks ahead to obtain final passage of our proposal which would provide the poor with quality legal representation, would create an organization free from political pressures, and would include safeguards to ensure its responsible operation. Legal services legislation has already passed the House. I am hopeful that reasonable legal services legislation will now be passed by the Senate.

A major new opportunity for better Federal management has been initiated at my direction by the Office of Management and Budget. Frequently termed "management by objective," it involves the identification of specific, high-priority objectives for each year for each of the departments and agencies. During the year, progress in reaching these objectives can be closely measured and reported to agency heads and to me. In the years ahead I expect this technique will help make the Government both more responsive and more accountable.

Nothing is more important to improving the efficiency of our Government than the recruiting of top flight personnel for Federal jobs—including positions in the career civil service. We will be working in

the months ahead to ensure that executive compensation, career development and training all attract and hold the best possible personnel in the public service.

The compensation we provide our top officials is integral to these efforts to recruit and retain the best men and women for Government service. Salaries of Federal judges, Members of the Congress, and heads and assistant heads of executive agencies have not been adjusted for 5 years, during which time comparable pay rates in the private sector increased 30 percent and pay for other Federal employees has increased significantly. The report of the Commission on Executive, Legislative and Judicial Salaries notes that this lag in compensation also produces serious salary compression among the top ranks of career employees. I am therefore recommending a three-stage increase in executive, legislative and judicial salaries in the budget, at the rate of 7½ percent annually for each of the next three years. This will make salaries within the top levels of the Federal Government more competitive with industry. And it will help us to make Government work better.

CAMPAIGN REFORM

For several years it has been clear that reforms were needed in the way we elect public officials. The intense public focus placed on the campaign abuses of 1972 has now generated sufficient support for this issue that we now have an opportunity to make a genuine breakthrough.

In a national radio address on May 16 of last year, I announced my proposal for a non-partisan commission on campaign reform. This commission would have re-examined the entire Federal election process to come up with a comprehensive set

of legislative recommendations. The Commission would have filed a public report no later than December 1, 1973.

Eight months have now passed since that proposal was submitted to the Congress and the Commission is not even close to being created. If it had been created expeditiously, we would now have its report recommending meaningful reforms for Federal campaigns and as I had originally hoped, those reforms might be in place prior to the 1974 elections.

In light of the delay, I have now decided to submit a comprehensive set of Administration proposals on campaign reform for consideration by the Congress during this session. While I do not believe mine will be the only workable proposals, I do hope they will lead to meaningful debate and reform in this critical area. To that end, I look forward to working with the Congress in a long-overdue effort to clean up the Federal election process.

AMERICA AND THE WORLD

When this Administration took office, it was apparent that the world had changed in fundamental ways, and that America's foreign policy had to change in equally fundamental ways.

We needed to end our military involvement in the Vietnam war in a manner consistent with our responsibilities and commitments as a major world power.

We needed to adjust to the changes in the strategic situation between the Soviet Union and the United States which presented a unique opportunity to build a solid foundation for peace but which also threatened our own security if that foundation could not be built.

We needed to end a quarter century of hostile isolation which had kept one-

fourth of the world's population outside the framework of international cooperation. The world could not afford another generation of hostility between the United States and the People's Republic of China.

We needed to adjust our partnerships with Western Europe and Japan, recognizing their increasing political and economic strength and self-reliance, and emphasizing our important common goals.

We needed to alter the world monetary system to reflect the new realities of the international economic system and America's place in it.

During the past five years we have made striking progress in meeting each of these needs.

CONTINUING RESPONSIBILITY IN VIETNAM

The United States is at peace for the first time in more than a decade. But peace must be something more than the absence of the active engagement of American forces in conflict.

We must guard against the tendency to express relief at our military extrication from Southeast Asia by "washing our hands" of the whole affair. Men and women are still dying there. We still have a responsibility there. We must provide those ravaged lands with the economic assistance needed to stabilize the structures of their societies and make future peace more likely. We must provide, as well, the continued military aid grants required to maintain strong, self-reliant defense forces. And we will continue to insist on full compliance with the terms of the agreements reached in Paris, including a full accounting of all of our men missing in Southeast Asia.

BUILDING NEW RELATIONSHIPS

As we work through détente to reduce conflict in areas of the world where both we and the Soviet Union have important interests, we must also continue to work to reduce the potential causes of conflict between us.

We must persevere in our negotiations with the Soviet Union to place further limits on strategic arms competition and in our talks with the Warsaw Pact nations to reduce forces in Europe in a way that will increase security and stability for all.

We will pursue our relations with the Soviet Union in the climate of détente established two years ago in Moscow and reaffirmed by General Secretary Brezhnev's visit to Washington last year. During the fateful weeks of the Middle East war last October, the strength of our détente was severely tested. Since then, American diplomatic leadership and initiative have played a central role in the search for a final settlement in the long-troubled Middle East. This began with the ceasefire of October 22, worked out with the Soviet Union's assistance, and was later strengthened by the Six-Point Agreement in November to consolidate the ceasefire, then by the Geneva Peace Conference—under the co-sponsorship of the United States and the Soviet Union—and most recently by the agreement on the disengagement of Egyptian and Israeli military forces, which is being implemented in cooperation with the United Nations Emergency Force. These steps are but the beginning of broadened efforts to find a lasting settlement of the area's problems.

The process of building a normal relationship with the People's Republic of China continues. Liaison offices have been

established in our respective capitals and there continues to be fruitful contact between our governments at very high levels.

STRENGTHENING OUR FREE WORLD PARTNERSHIPS

As our relationships with old adversaries are changing, so are our relationships with old friends. Western Europe and Japan have put behind them the post-war struggle to rebuild their economies, re-order their societies and re-establish their political force. Their success in these endeavors is something we helped to foster and in which we can take pride. But now times have changed and our past role in their success cannot be the sole basis for a continuing relationship. We must instead adjust our relationships to recognize their new economic capacities and their international political objectives. We must accommodate all of these within the framework of the friendship and goodwill of our allies and our whole past history of cooperation in the pursuit of our common goals. This is a cornerstone of the structure of peace we are seeking to build.

With our closest neighbors, here in the Western Hemisphere, we shall continue to seek additional ways of working cooperatively to solve the problems which face the Americas. Secretary of State Kissinger will be meeting in a few weeks with the foreign ministers of Latin America to begin a new and constructive dialogue in the family of American states.

INTERNATIONAL TRADE AND COMMERCE

As we turn from an era of confrontation to one of cooperation, trade and commerce become more important. We have moved from a position of virtual economic

hegemony in the world to a new role in a more interdependent world economy. We must create an equitable and efficient system of integrating our own economy with that of the rest of the world.

Much has already been accomplished on this front. The markets of the USSR and China are now accessible, thereby providing jobs for American workers. Our major trading partners in Western Europe and Japan share our interest in further reducing international trade barriers and increasing world trade. The rigid and outmoded international monetary system which over-valued the dollar and impeded our foreign trade has been decisively altered. After two years of trade deficits, America achieved a trade surplus in 1973.

But we must persevere in our international monetary, investment and trade negotiations. The greatest tasks still lie ahead and the stakes are high. Avoiding the economic and political disruptions associated with international monetary turmoil and restrictive trade and investment practices increases in importance as international interdependence grows.

As I noted earlier in this message, prompt passage of the pending Trade Reform Act is essential to achieving the goal of a less restrictive and more equitable international economic system. In addition, we must move forward with the current negotiations to reform the international payments system under the auspices of the International Monetary Fund, reforms which will markedly increase the opportunities for nations to trade and invest profitably.

We must also strengthen our resolve as the world's most prosperous nation to help less fortunate countries. In the world of today, no nation will be fully secure or prosperous until all nations are. As in the

past, we will take pride in our efforts to work with developing nations which aspire to greater economic and social well-being. The United States has called for the World Food Conference which will be held in November under the auspices of the United Nations. We will also actively observe 1974 as World Population Year, as proclaimed by the United Nations.

MAINTAINING A STRONG DEFENSE FORCE

But as we work for peace, we must be conscious that the opportunity to build a structure of peace came because our arms have served as a deterrent to war. We must maintain that deterrent.

In the last five years, outlays for the Department of Defense have been reduced by about $\frac{1}{3}$ —measured in constant dollars—and military personnel have been cut from 3.5 million to 2.2 million.

This year, I will recommend a substantial increase in the 1975 budget for the Department of Defense. These increases are necessary to improve the readiness of our armed forces, to build up levels of essential equipment and supplies and to preserve present force levels in the face of rising costs.

CONCLUSION

Throughout these five years, I have had one overriding aim: to establish a structure of peace in the world that can free future generations from the scourge of war. Others may have different priorities; this has been and will remain my first priority, the chief legacy that I hope to leave from the eight years of my Presidency.

As we strengthen the peace, we must also continue each year a steady strengthening of our society here at home. Our

conscience requires it. Our interests require it. We must insist on it.

As we create more jobs, as we build a better health care system, and improve education; as we develop new sources of energy, as we provide more abundantly for the elderly and the poor, as we strengthen the system of private enterprise that produces our prosperity—as we do all this and more, we solidify those essential bonds that hold us together as a Nation. Even more importantly, we advance what in the final analysis government in America is all about; more freedom, more security, a better life, for each one of the 211 million individual persons who are America.

We cannot afford to neglect progress at home while pursuing peace abroad. But neither can we afford to neglect peace abroad while pursuing progress at home.

With a stable peace, all is possible; without peace, nothing is possible.

Earlier in this message, I comment that “one of the continuing challenges facing us in the legislative process is that of the timing and pacing of our initiatives . . . selecting each year among many worthy projects those that are ripe for action at that time . . .”

What is true in terms of our domestic initiatives is true also in the world. This period we now are in—these few years—presents a juncture of historic forces unique in this century, which provide an opportunity we may never have again to create a structure of peace solid enough to last a lifetime and more—not just peace in our time but peace in our children’s time as well. It is on the way we respond to this opportunity, more than anything else, that history will judge whether we in America have met our responsibility.

I have full confidence that we will meet that responsibility.

RICHARD NIXON

The White House,
January 30, 1974.

NOTE: The President handed the message on the State of the Union to Carl Albert, Speaker of the House of Representatives, and Gerald R. Ford, President of the Senate, before delivering his address.

27 Remarks at the National Prayer Breakfast. *January 31, 1974*

Mr. Vice President and Mrs. Ford, Senator and Mrs. Stennis, and all of the very distinguished guests here, and those who may be listening on television and radio to this National Prayer Breakfast:

It has always been the custom that the President has the privilege of making the final statement at these breakfasts, and as usual having that responsibility is one that is difficult because of the eloquence that has usually preceded him and of the statements that have been made which make what he says simply repetitive of what has gone on before.

There are some thoughts, very brief ones, that I would like to leave with you this morning, however, that have occurred to me, and one is how very thankful we are that it was just a year ago that we had the prayer breakfast—Senator Stennis was supposed to be in the position that he now occupies—he could not come, and I had the privilege of reading a note that he had scribbled when he first became conscious after he had had his operation at the hospital, a note to the prayer breakfast. We are so thankful that John Stennis is well and strong and that he is with us today.

And as usual, we are very proud to have all of the visitors from abroad, the ambassadorial corps, the visitors from various countries, the Purdue Glee Club, which has honored us with its presence here to-

day. You know, we have something in common. When I went over and had my picture taken, I asked whether any of them were on the Purdue football team, and nobody held up his hand. I said, "That is just like me. I made the glee club, but I didn't make the football team." But what a great glee club it was. If their football team was up to the glee club, they would be in the Rose Bowl.

I know that many have made a great effort to come to this prayer breakfast from various parts of the country and the world. Billy Graham was taking a long-needed vacation at Acapulco. And I rode up with him in the car, and I can assure you that the tan he has is real. That is no makeup. He is going to go back to see his wife, Ruth, after this prayer breakfast and after perhaps several other engagements today with members of this group.

When I first addressed a prayer breakfast as President, I made a statement about all the Presidents of this country. You know, the difficulty with a President when he makes a statement is that everybody checks it to see whether it is true. And in this particular instance, I stated what I thought was the truth, and that was that every President in our history had been a religious man, had belonged to a church. And afterwards, I received quite a few letters from people and said, "What about Lincoln?"

So, I had to go back to the history books to find out about Abraham Lincoln. And I found that his law partner who practiced with him in Illinois had written the first biography of Lincoln and said that he was a man who had no religion, as a matter of fact, that he was a nonbeliever. I then found that when he ran for Congress his opponent was an evangelist, and although Lincoln won that year for Congress, his opponent who was the evangelist campaigned against him on the basis of Lincoln being a nonbeliever.

I found also that Lincoln never joined a church, one of the few Presidents who never belonged to any church. He often attended with his wife the New York Avenue Presbyterian Church, and the pew down there so marks the place where he and his wife used to sit, but he never formally joined a church.

But in a very fine little book—and the size of a book does not decide how fine it is—Elton Trueblood in 1973 on the religion of Lincoln,¹ the anguish that he went through during the War Between the States, makes some eloquent points about Lincoln, the man with a very deep religious conviction. He said that while he never belonged to a church that he probably prayed more than any man who has ever been in the White House. And the reason he prayed more was perhaps twofold, one because he had a mystical sense of the destiny of America. He did not have a feeling of arrogance about his side as compared with the other side; he did feel that America was destined to be united; he did feel that for that reason that some way, somehow, after that ter-

rible struggle in which men on both sides and women on both sides prayed fervently to the same God that it would come out all right, and he did believe that America had something to stand for and something to believe in, and something to do in the world bigger than itself. And he often said that. In other words, that there was something other than just Lincoln—the politician, the President—and the American people, each individual, but there was what he called the Almighty, the Universal Being, sometimes he referred to Him as God, who guided the destiny of this Nation.

The second reason, of course, that Lincoln must have prayed so much was because the problems of the country were so great. When you think of the fact that his wife had several brothers who fought on the Confederate side, and some were killed, you think of the tragedy that marked his life—one of his sons died while he was in the White House. When you think of all these things, you can see why this man, who had such deep emotional feelings, often went to his knees in prayer, although he did not belong to any church.

And finally, I noted in reading this little book by Elton Trueblood that while Lincoln prayed more perhaps—or at least it is said that he probably prayed more than any President who has been in the White House—it is very hard to find at any time an oral prayer. He was on his knees, and he prayed in silence.

I often wondered about that, and I thought a little of my own upbringing, about the place of silent prayer, and there is, of course, a place for both.

My father, who was a Methodist, believed very strongly in spoken prayer, and my mother, who was a Quaker, believed

¹David Elton Trueblood, "Abraham Lincoln: Theologian of American Anguish" (New York: Harper and Row, 1973).

in silent prayer, and both agreed that there was a place for both.

When I was 8 or 9 years old, I asked my grandmother—a very saintly woman, a little Quaker lady who had nine children—I asked her why it was that the Quakers believed in silent prayer. When we sat down to table we always had silent grace, and often at church, while we sometimes would have a minister or somebody got up when the spirit moved him, we often just went there and sat and we prayed.

Her answer was very interesting, and perhaps it relates to why Lincoln prayed in silence. My grandmother spoke to me on this occasion, as she always did to her grandchildren and children, with the plain speech. She said, "What thee must understand, Richard, is that the purpose of prayer is to listen to God, not to talk to God. The purpose of prayer is not to tell God what thee wants but to find out from God what He wants from thee."

Now, my grandmother did not believe that others who used oral prayer were wrong, because that would not have been the Quaker way. She thought they might be right. In fact, both could be right.

We read Lincoln's Second Inaugural, the most eloquent of all the inaugurals, and we see it all captured there, pointing out that people prayed on both sides, and yet the war had come, but not speaking in arrogance about the North as against the South, but expressing his belief that the destiny of this Nation would eventually be served by the survival of the Union.

So, the thought I would leave with this audience here today is very simply this: I, too, believe that America has a destiny. I do not believe it in the sense that some national leaders of times past have believed it about their countries.

Our destiny is not to rule any other country. Our destiny is not to conquer any other country. Our destiny is not to start war against any other country. Our destiny is not to break freedom, but to defend it.

Our destiny also is to recognize the right of people in the world to be different from what we are. Even some may have different religions. Even some, we must accept, may not have a religious belief, as we understand a religious belief, to believe.

But on the other hand, while I know this goes counter to the ideas of many of my good friends in this audience who believe as my mother and father deeply believed in the missionary work of our church, I think that America today must understand that it is in its role as a world leader that we can only have peace in the world if we respect the rights, the views of our neighbors, our friends, and of the people of all the nations of the world.

It is that respect for other people, despite differences in political philosophy, despite differences in religion, that has brought us so far along the road to world understanding and world peace over these 5 years.

It is rather hard sometimes for us to have that respect, sometimes for each other in our political process and sometimes for other nations who have totally different political views, but I would only suggest that we go back to Lincoln—and, of course, I go back to my grandmother—and I would pray for this Nation at this time, and I hope all of you would, too, whether orally or in silence, that we try to listen more to what God wants rather than to tell God what we want, that we would try to find out what God wants America to be rather than to ask Him

always to see that what we believe America should be prevails.

Call this humility, which they called it in Lincoln's case, call it what you like, but it is the way a great country ought to be.

America is a nation of destiny, and whether freedom survives in the world and whether the weak nations of the world can be as safe as the strong, which is our goal, depends on America.

I do not say this in arrogance. I do not say it without recognizing that other great powers in a different way may also work together with us toward that great purpose, but I do know that without American strength—and I speak not just of our military strength primarily; primarily I speak of our moral strength and our spiritual strength and our faith in our national destiny—without America's strength, the world would not have the chance today that it has for freedom and for peace and for justice in the years ahead.

So, my friends, may I thank you all for the prayers that I know you have offered for our national leaders; may I urge you all, whatever your faiths may be, to pray in the future at times, perhaps, in silence. Why? Because too often I think we are a little too arrogant. We try to talk to God and tell Him what we want, and what all of us need to do and what this Nation needs to do is to pray in silence and listen to God and find out what He wants for us, and then we will all do the right thing.

NOTE: The President spoke at 9 a.m. in the International Ballroom of the Washington Hilton Hotel.

Representative Albert H. Quie of Minnesota presided at the 22d annual breakfast which was sponsored by the Senate and House Prayer Breakfast Groups.

Approximately 3,000 guests, including representatives from government, the diplomatic corps, industry, labor, and the academic community, attended the breakfast.

28 Remarks on Signing the Economic Report for 1974. *February 1, 1974*

AS I conclude the signing of the report, I want to say that I am very grateful for the advice that we have received from the economic experts in the Government and those here in the White House, particularly. We get them together like this only once a year when this report is issued.

I think the economic record of this Administration has been outstanding, and certainly the advice that the President has received has been honest advice and, generally, I think, very good advice.

At one of my press conferences I made some remarks that were supposed to be disparaging of economists, and I pointed

out that they didn't seem to have all the answers.

Let me tell you, I value, however, the advice of my economic advisers because they are experts, and simply because the experts don't know all the answers doesn't mean that the amateurs know the answers. I happen to be the amateur. Here are the experts. And I would say that the answers as to where we are and where we are going are here quite honestly set forth for the American people, as well as for the Congress.

Just shorthanding it, as I see it, our economic outlook for the year 1974 is that it

will be a good year for the economy. We are going through a period now, due to the energy crisis primarily, in which the economy will slow down, but the second half of the year will be one, according to the Economic Report, in which the economy will pick up.

Our budget policies and Government policies are going to fight for a strong and good economy on two fronts. On the one hand, our budget policies and other Government policies will be used to fight against inflation, which this report predicts will still be a troublesome problem, although going down somewhat as a problem toward the end of the year.

It will also be a policy which will fight for a strong economy. In other words, fight against unemployment and for an economy that will be moving up.

Now, this seems to be fighting in two different directions, but the two complement each other. It would be very easy to fight inflation alone, which would mean that if you did that you would do so at the cost of a recession; or it would be very easy to fight the possibilities of a slowdown in an economy alone, and you would do so at the cost of a runaway inflation.

What we have here is a balanced policy which does both. What we can have and

what we are working toward, in peacetime, is an economy in which we will have a high rate of growth, in which employment continues to rise, and in which the rate of inflation is held in check.

This is the goal, and we are going to make great progress toward that goal in the year 1974, despite the jolt we received from the energy crisis.

I will simply close that out by saying the energy crisis in the next few months will, as a result of Government action, as a result of the cooperation of the American people, as a result of some actions that may be taken internationally, as well, we believe the energy crisis will become an energy problem and a manageable problem. And as it moves from crisis proportions to a problem proportion, that means that the economy will benefit, and our economic prospectus is based on that assumption, and I think that assumption is very well taken.

NOTE: The President spoke at 11:30 a.m. in the Cabinet Room at the White House. The ceremony was attended by members and staff of the Council of Economic Advisers.

On the same day, the White House released the transcript of a news briefing by Senate Minority Leader Hugh Scott and House Minority Leader John J. Rhodes on their meeting with the President to discuss the Economic Report for 1974 and the President's budget message.

29 Annual Message to the Congress: The Economic Report of the President. *February 1, 1974*

To the Congress of the United States:

The United States enters 1974 in a position of leadership in the world economy. The dollar is strong, we have constructive economic relations throughout the world, and we have the greatest freedom of action resulting from our great capacity to pro-

duce. We must take the responsibilities and the opportunities this position of leadership gives us.

Nineteen hundred and seventy-three was a year of problems and progress in the American economy. In some respects the problems were greater than we expected

and the progress was less than we had hoped. But the areas of our solid achievements were more important than the areas of our disappointments. We and the world around us have difficult tasks ahead—primarily to deal with an old problem, inflation, and to deal with one that has just become acute, energy. But the United States confronts these difficulties with a strong and adaptable economy, which means an economy of capable and enterprising people.

In the middle of 1971, when the New Economic Policy was launched, the country had three economic objectives: to promote the expansion of output and reduce unemployment, to correct the persistent deficit in the U.S. balance of payments, and to check the inflation which had been going on for 5½ years. To achieve these objectives a comprehensive program of action was initiated. Taxes were reduced. Price and wage controls were instituted. The exchange rate of the dollar was set free to adjust to market conditions, and steps were initiated to improve the international monetary system.

There has been great progress toward two of these three objectives. Production and employment have risen rapidly. Total civilian employment was 6.8 million higher in December 1973 than in June 1971. The unemployment rate had fallen from 6 percent to a little under 5 percent. In 1973 a larger percentage of the civilian population over the age of 16 was employed than ever before.

With vigorously rising employment, and rising productivity as well, there was a big increase in output of goods and services, the essential ingredients of higher living standards. In the 2½ years of the New Economic Policy, total output increased

by 14 percent, which is about 35 percent above our average for a period of this length. The real income of American consumers per capita, after taxes, rose by 8½ percent, also well above our long-term rate. Both real output and real income, of course, reached record highs.

The second goal of the New Economic Policy, to strengthen the international financial position of the United States and of the world, was also largely achieved. The significance of this goal is commonly neglected in America. But a country whose currency is weak, whose currency others don't want to hold, is greatly limited in what its government and citizens can do—in buying goods abroad, in traveling freely, in investing freely, in maintaining forces abroad if necessary. And if a country goes on spending more abroad than it earns abroad, its freedom of action is going to be curtailed. There has been a dramatic change in our balance of trade, from a deficit of \$917 million in the second quarter of 1971 to a surplus of \$714 million in the third quarter of 1973. We have not only improved our own position but we have also taken the lead in strengthening the international system. The more flexible system we have promoted withstood numerous shocks during 1973, and at the same time the world economy and international trade and investment continued to expand.

It is the third of the three objectives of the New Economic Policy—the control of inflation—that has been our great difficulty. Until the end of 1972 the New Economic Policy, drawing on the results of earlier fiscal and monetary restraints, worked well in getting the rate of inflation down, even though worrisome rises in food prices appeared. But in 1973 infla-

tion speeded up sharply. During the year, consumer prices increased by almost 9 percent.

Of course, the progress on the first two objectives was connected with the disappointment on the third. The rapid rise toward full employment, the expansion of our net exports, and the reduction in the value of the dollar to make the United States more competitive, all contributed to the resurgence of inflation. But there were other factors at work, less directly under our control. Food production lagged in major producing countries, including the United States. An extraordinary combination of booms in other countries boosted prices of industrial materials. Countries jointly controlling a large part of the world's exportable oil supplies decided to raise their prices substantially. During 1973 food prices accounted for 51 percent of the total rise of consumer prices, and energy prices accounted for another 11 percent.

The American people generally prospered despite the inflation in 1973. Their incomes, on the average, rose more than prices. But there were many families for which that was not true. We cannot accept continuation of the inflation rate of 1973, and still less can we risk its acceleration. We must dedicate ourselves to carrying on the fight against inflation in 1974 and thereafter.

There are at least four lessons we can learn from our past experience in combating inflation:

1. *The importance of patience.* To correct a powerful trend of the economy which has been going on for some time requires time. Sharply squeezing down the economy in an effort to halt inflation would produce a severe drop in employment and economic activity and create

demands for a major reversal of policy. Pumping up the economy to get quickly to full employment would risk setting off even swifter inflation. We need a greater steadiness of policy.

2. *The importance of the rest of the world.* The events of 1973 brought our external economic relations sharply to our attention. Most simply put, it will be exceedingly hard for us to have a stable economy in an unstable world. We must contribute a stabilizing influence to the world economy of which we are a large part. We must promote concerted efforts to maintain the health of the world economy.

3. *The importance of production.* Despite other vicissitudes, what determines the economic well-being of the American people more than anything else is the rate of production. The rapid increase of production has provided the rising real incomes of the American people. More specifically, increasing food production is the best way to deal with the food price problem, and increasing our energy supplies is the best way to deal with the energy shortage. We think of ourselves as a Nation with high and strongly rising output. We are. But we can do better and it is important that we do better.

4. *The importance of free markets.* In the past several years, under the pressure of emergency conditions, we have made great, but temporary, departures from reliance on free prices and free markets. In special circumstances and for short periods these departures have been helpful. But taken together, these experiences have confirmed the view that the free market is, in general, our most efficient system of economic organization, and that sustained and comprehensive suppression of it will not solve the inflation problem.

At the beginning of 1974 the three problems which have dominated economic policy for many years—inflation, unemployment, and the balance of payments—have been joined by a fourth—the energy problem. Or rather, the other three problems have been pervaded by the energy problem. The present oil situation means that we are paying much higher prices for imported oil than formerly and that the volume of imports at the present time is less than we would freely buy even at those prices. But the prices and volumes are both highly uncertain and add uncertainties to the economic picture for the year.

The current and prospective oil situation will at the same time raise prices, limit production in some industries, and reduce demand in others. It will be the objective of the Administration's policy to do three things in this circumstance:

1. To keep the moderate slowdown of the economic boom from becoming excessive because of the energy shortage;
2. To keep the rise of fuel prices from spilling over unnecessarily into more inflation in other parts of the economy; and
3. To set the stage for stronger economic expansion with greater price stability after the initial price and output disruptions caused by the energy shortage have been absorbed.

Achieving these goals in this unpredictable economic environment will require alertness and adaptability. We cannot set a policy at the beginning of the year and let it run without further consideration. But we can describe the main elements of our present strategy.

1. We will maintain a budget of moderate economic restraint. Even though the combination of urgent requirements and inescapable commitments generates pres-

ures for huge expenditure increases, the budget I will propose will keep the expenditures within the revenues that the tax system would yield at full employment.

2. We will be prepared to support economic activity and employment by additional budgetary measures, if necessary.

3. We urge the Congress to enact the legislation I proposed last year for improving the unemployment compensation system, with further strengthening amendments I will submit. This would provide better protection for workers who may lose their jobs, whether because of the energy shortage or for other reasons, and also help to protect the economy better against the secondary effects of their unemployment.

4. Working together with other consuming countries, including the developing countries, and with the oil-exporting countries, we will try to arrive at an understanding on mutually beneficial conditions of exchange.

5. We will try to manage the energy shortage in such a way as to keep the loss of jobs and production to a minimum, although some loss is inevitable in the short run. The allocation system is designed to assure an adequate flow of oil to those industries where lack of it would limit employment the most. We shall also have to provide or permit incentives—including higher prices—for maximum imports, for maximum domestic exploration and production, and for efficient use of our scarce supplies. To prevent higher prices from causing excess profits, I have proposed an Emergency Windfall Profits Tax, which I urge the Congress to enact promptly.

6. We will work with other oil-importing countries to prevent the higher prices of oil and its limited supply from gener-

ating a downward spiral of recession. The higher prices will cause dislocations and impose burdens on all consuming countries; they do not have to cause a spreading recession if we manage our affairs cooperatively and wisely.

7. We will continue our policy of maximum agricultural production to help hold down food prices.

8. We will continue our policy of progressive removal of price and wage controls in order to restore the flexibility needed for efficiency and expansion in a time of economic strain.

The effort to maintain the stability of our economy in the face of the present unusual conditions will absorb a great deal of attention this year. But we must not neglect the fundamental factors which determine the prosperity of the American people in the longer run. One of these has come to general public attention with a rush—the need for adequate supplies of energy at reasonable cost. We are seeing the possible consequences of being deprived of these, and we must not allow it.

The energy problem has had two main parts for some time:

First, with rapidly rising world demand for energy, most of which comes from depletable resources, we could run into sharply increasing costs of energy unless vast investments are made in research, development, experimentation, and production.

Second, we are exposed to the danger of being thrown back upon inadequate or very expensive sources of energy earlier than necessary by joint action of a few countries that control a large part of the existing low-cost reserves of oil.

To deal with this problem I began proposing, almost 3 years ago, a number of governmental measures to permit or assist

development of energy within the control of the United States. In 1973 the second part of the problem, which had formerly been a threat, became a reality at least temporarily, and this has demonstrated unmistakably the urgency of the steps I have recommended.

I propose that the United States should commit itself to "Project Independence" to develop the capacity for self-sufficiency in energy supplies at reasonable cost. One key element of Project Independence is a 5-year, \$10 billion program of federally financed research and development in the field of energy. My budget for fiscal year 1975 will include almost \$2 billion for this purpose. By far the largest part of the research, development, and production required by Project Independence will be private, and steps to stimulate the private contribution are essential. Among the numerous measures to this end which I called attention to in my latest energy message on January 23, were several tax proposals. Last April I proposed that the investment credit be extended to cover exploratory drilling for new oil and gas fields, while the tax shelters for wealthy taxpayers associated with such drilling would be eliminated. In my recent message I asked Congress to eliminate the depletion allowance given to U.S. companies for foreign oil production but to retain it for domestic production, in order to shift the incentive to exploration and production at home. I have also asked the Treasury Department to prepare proposals for revising the treatment of taxes paid by oil companies to foreign governments, both to improve tax equity and to increase the incentive for domestic production.

Energy is only the most dramatic example of the need for policies to promote a rising American standard of living by

increasing production and assuring the stability of supplies. There are many others.

I. We have discovered that we no longer have a surplus of food, in the sense of producing more than we need either to consume at home or to sell abroad in order to pay for the things we buy abroad. We no longer have great reserves of food in storage and acreage withheld from use. We have freed the American farmer to produce as much as he can and we should keep him free. American agriculture is, and should be, heavily involved in exports. This means that the American food price level and the American consumer are directly influenced by the forces of world demand and supply. International cooperation is needed to promote food production and the maintenance of stocks adequate to shield consumers from the more extreme variations of output. At the call of the Secretary of State, preparations are now being made for a conference on this subject to be held under United Nations auspices.

II. Our ability to buy abroad what is produced more efficiently abroad, and to sell abroad what we produce more efficiently, contributes to the productivity of the American economy. At my recommendation the countries of the world are now preparing to negotiate new steps in foreign trade policy which will further invigorate this beneficial process. I urge the Congress to enact promptly the trade legislation I have proposed to permit the United States to participate in these negotiations.

III. One of our most essential industries—freight transportation—is unfortunately shot through with inefficiencies. Many of these inefficiencies are the result of obsolete, shortsighted, and excessive

regulation. Hundreds of millions and probably billions of dollars a year could be saved by unleashing carriers and shippers to carry the freight on the most efficient mode of transportation, in the most efficient way. I have sent to the Congress new proposals to this end.

IV. In 1973, as in 1972, relatively few days of work were lost as a result of industrial disputes. Continuation of this record would be a valuable contribution to the level and stability of production. I have appointed a Commission on Industrial Peace, composed of leaders of management and labor with an impartial chairman, to make recommendations for bringing that about.

V. In addition to the major research and development effort to provide secure supplies of energy, without abusing our natural environment in doing so, this Administration is continuing its support of research and development projects that will help maintain a healthy rate of innovation and productivity growth in the rest of our economy. These activities will be supported at record levels in the coming year, and we are also trying to get a higher return for every dollar we spend.

VI. An indispensable source of economic growth is saving and investment in productive facilities. It should be the policy of government to interfere with this process as little as possible. The government should not absorb private savings into financing its deficits in times when private investment would otherwise utilize all the private saving. Our basic budget policy of balancing the budget or running a surplus under conditions of high employment carries out this principle. Moreover, taxation should not depress productive investment by unduly burdening its return. We should not indulge in demo-

gogic and shortsighted attacks upon profits.

VII. We must push forward, as we have been doing, to remove barriers against the entry of women and minorities into any occupation and against their maximum training and advancement. The men and women of the country are its greatest economic resource. To fail to use any of this resource to its full potential is a serious loss to us all.

Compared with our parents and grandparents we are enormously rich. We have protections against the ebbs and flows of economic life that they never expected and barely imagined. But I cannot assure

the American people of an easy time. Like our parents and grandparents, we have our own tests. If we meet them with fortitude and realism the period ahead can be one not only of material advance but also of spiritual satisfaction.

RICHARD NIXON

February 1, 1974.

NOTE: The President's message, together with the Annual Report of the Council of Economic Advisers, is printed in "Economic Report of the President, Transmitted to the Congress February 1974" (Government Printing Office, 359 pp.).

On the same day, the White House released the transcript of a news briefing held on January 31 on the message by Herbert Stein, Chairman, and William J. Fellner, member, Council of Economic Advisers.

30 Statement About the Death of Samuel Goldwyn. *February 1, 1974*

SAMUEL GOLDWYN was one of the finest examples of what an energetic and talented individual can do in America. He came to our shores from the Warsaw Ghetto and early grasped the potential of the moving picture. Assembling gifted writers, performers, and directors, he made more than 70 movies which transported movie viewers to faraway, romantic places and gave them fresh and insight-

ful glimpses within their world. Truly it can be said that he helped to elevate moving pictures from the level of nickel-odeon melodrama to enduring art.

Mrs. Nixon and I extend our heartfelt sympathy to his family.

NOTE: Mr. Goldwyn, 91, died in Beverly Hills, Calif., on January 31, 1974. In 1971, he was awarded the Presidential Medal of Freedom (see 1971 volume, Item 118).

31 Remarks on Signing the Annual Budget Message to the Congress, Fiscal Year 1975. *February 4, 1974*

I WANT to take this opportunity to thank all of the people who are here, people who have, I understand, according to Roy Ash and Fred Malek, worked harder than perhaps any people in Government in modern times in getting this budget

ready and getting it done in such fine style.

I understand that Roy Ash had to direct several members of the staff to take Christmas Day off. We are very fortunate to have people so dedicated working for

the country in getting together our budget documents and, of course, the budget itself, during this period.

I think this is an outstanding budget for two reasons. One, it is not inflationary, not inflationary because it is in balance in terms of full employment. It is very important that we have the cooperation of the Congress in not exceeding the budget, because if it does exceed the budget substantially, it will mean that it will become inflationary.

On the other hand, while the budget is non-inflationary—in other words, it does not have unnecessary spending in it—it is also a budget which is expansionary, expansionary in terms of providing the funds for our new initiatives that I described in the State of the Union.

It also will have a strong expansionary effect on the economy because of its size, over \$300 billion.

Another feature I should mention is that it has an increase for defense, a substantial increase, which I justified in the State of the Union Message.

The final point I will make is that in terms of the budget, it is a subject that is never a popular one with the country, with the Congress or anybody else, because the people over in the Office of Management and Budget always have to say no, no to people who have this pet project or that.

In these two small books a great deal of money is contained and also a great number of projects. But we could have

three times as many books and a lot of other worthy projects that could be included. Decisions have to be made in which we pick those things for Government to act on that are most important to the people and that we can afford. And here we have it, have it in terms of a budget that will not add to the fires of inflation—as a matter of fact will fight inflation—and at the same time a budget that will be antirecession, one that is flexible enough and has the funds available to be moved in wherever we consider it necessary, where there are any indications of downturns in the economy in certain areas because of the energy shortage and other reasons that you are familiar with.

So with that, I congratulate the people who have prepared the budget, all of you who have worked so long and so hard. The country is in your debt, and so if you aren't very popular among certain Members of Congress and others to whom you have had to say no, including many members of the Administration and departments, I can say there are millions of people across this country that will benefit from the sound, sensible, and responsible work that you have done in preparing the budget for the next year.

NOTE: The President spoke at 9:31 a.m. in the Cabinet Room at the White House. The ceremony was attended by staff members of the Office of Management and Budget.

In his remarks, the President referred to Roy L. Ash, Director, and Frederic V. Malek, Deputy Director, Office of Management and Budget.

32 Annual Budget Message to the Congress, Fiscal Year 1975. *February 4, 1974*

To the Congress of the United States:

The Federal budget must be both a

consistent statement of our national objectives and a responsible plan for achiev-

ing them. The budget that I propose for fiscal year 1975 meets these standards. It places special emphasis on:

- the proper fiscal balance to keep the economy on the track to sustained high employment and more stable prices;
- a strong defense force in support of our efforts to build an enduring structure of peace in the world;
- a comprehensive energy program to deal with current shortages and to reestablish our ability to be self-sufficient in energy;
- the New Federalism philosophy of strengthening the role of State and local governments, and of the individual citizen;
- basic reforms of major domestic programs; and
- efficient management of the Federal Government in the years ahead, through a more intensive focus on the tangible results that programs achieve.

In the face of economic uncertainty, my budget recommendations provide for a fiscal policy that would support high employment while restraining inflation. It would maintain the flexibility to take further action, if needed, to offset the effects of energy shortages. My budget recommendations hold the rise of Federal spending to the minimum increases necessary.

The budget recommends total outlays of \$304.4 billion in 1975, \$29.8 billion

more than in 1974, and anticipates receipts of \$295 billion, a \$25 billion increase over 1974. About 90% of the increase in outlays between 1974 and 1975 represents mandatory spending increases that are unavoidable under current law.

Under conditions of full employment—conventionally defined as a 4% unemployment rate—Federal receipts would be substantially higher and outlays somewhat lower than these figures. Thus, on a *full employment basis* the budget shows a surplus of \$4 billion in 1974 increasing to \$8 billion in 1975.

The budget proposes increases for defense activities so that we can increase our defense preparedness and preserve present force levels in the face of rising costs. These proposals reflect minimum prudent levels of defense spending consistent with maintaining adequate armed forces to assure our national security.

The budget includes my program, Project Independence, to reestablish our capability for self-sufficiency in energy. I plan Federal funding of \$10 billion for the accelerated energy research and development component of this program over the next 5 years. Other measures already underway or proposed will help reduce low-priority energy use and minimize economic dislocations due to shortages. Our vigorous diplomatic efforts to restore an acceptable pattern of world trade in petroleum will complement these measures.

THE BUDGET AT A GLANCE

[In billions of dollars]

<i>Item</i>	<i>1973 actual</i>	<i>1974 estimate</i>	<i>1975 estimate</i>
Receipts	232. 2	270. 0	295. 0
Outlays	246. 5	274. 7	304. 4
Deficit(—)	—14. 3	—4. 7	—9. 4

The budget carries forward the New Federalism philosophy. This philosophy stresses the need to recognize the different roles appropriate to each level of government, and to the private sector—thereby strengthening individual choice and self-reliance in America. The New Federalism calls for Federal support in meeting national problems and holds that State and local authorities are best able to make decisions on local and statewide needs in accordance with local conditions and community aspirations. Federal aid in the areas of law enforcement, manpower, and rural development incorporate the principles of the New Federalism. I now propose to apply this philosophy in major reforms of Federal assistance for health, education, community development, and transportation.

Our welfare system is inefficient and inequitable. I urge the Congress to work with my Administration in developing a new system that is simple, fair, and compassionate.

I am once again proposing a comprehensive plan for national health insurance that would make adequate insurance against the costs of health care available to *all* Americans. This far-reaching reform is long overdue. I urge early congressional action on it. The budget proposes measures to prepare for this program.

Federal taxes impose a large burden on the Nation. Each Federal program, therefore, must be managed as efficiently as possible and each must be subject to continuous scrutiny as to how well it meets today's highest priority needs. This budget supports the major management initiatives I have undertaken to ensure that Federal programs produce results that truly satisfy the needs of the American

people—and do so at the lowest possible cost to the taxpayer.

The end of American combat involvement in the Vietnam war and the reduction of cold war tensions in recent years have contributed to a significant shift in the composition of the Federal budget. Defense outlays remained virtually constant from 1968 to 1974, despite substantial cost increases and the pay raises which have accompanied the transition to an all-volunteer armed force. These added costs were offset by large savings resulting from reductions in men and materiel. Defense costs have been a decreasing share of our national budget, falling from 44% of Federal spending in 1969 to an estimated 29% in 1975.

Conversely, Federal nondefense spending has increased from 56% of Federal spending in 1969 to 71% in this budget. In the process, the form that Federal spending takes has shifted dramatically away from support for direct Federal operations and toward benefit payments to individuals and grants to State and local governments.

When I took office as President in 1969, defense outlays were nearly one-fifth more than combined outlays for aid to individuals under human resource programs and for aid to State and local governments. While our defenses are being maintained and strengthened, this budget proposes spending nearly *twice* as much money for aid to individuals and to State and local governments as for defense. This dramatic shift in Federal spending both reflects and supports the New Federalism.

THE BUDGET AND THE ECONOMY

During the past year, our economy operated at close to full capacity. In fact, the

Nation's capacity for producing basic materials was used at a higher rate than in any previous year since World War II. New jobs were created for about 2¾ million people. Unemployment fell from a 5.4% average rate in the second half of calendar year 1972 to a 4.7% rate in the second half of 1973. At the same time, adverse weather and other conditions cut into the world's food supplies, including ours, while the policies of exporting countries cut supplies of oil and raised its price sharply.

These developments created a severe inflation during calendar year 1973, particularly in prices of food and energy. Our budget policy has been a key element in the effort to control that inflation. Strict limitation of expenditures in 1973 applied fiscal restraint to an economy that was expanding at an unsustainable rate. The budget totals recommended here continue a policy of fiscal responsibility as

part of a continuing anti-inflation program.

There is now evidence that the economy is slowing down. In part this is due to the energy shortage, which limits our ability to produce some products and reduces demand for others. Our energy-use policies are designed to minimize the adverse impact of the energy shortage on the economy, but some effect is inescapable.

Some slowdown in the growth of demand is appropriate to help check inflation. This is especially true in view of supply limitations. But this slowdown should not be permitted to go too far. Therefore, I propose a budget which will continue a posture of moderate restraint rather than greatly intensifying that restraint. Also, my Administration is developing and will be prepared to use a range of measures to support the economy if that should be necessary—measures tailored to the special conditions of the

THE BUDGET TOTALS

[Fiscal years. In billions]

<i>Description</i>	<i>1973 actual</i>	<i>1974 estimate</i>	<i>1975 estimate</i>
Budget receipts	232.2	270.0	295.0
Budget outlays	246.5	274.7	304.4
Deficit (—)	—14.3	—4.7	—9.4
Budget authority	276.7	310.9	322.1
Outstanding debt, end of year:	<i>1972 actual</i>		
Gross Federal debt	437.3	468.4	486.4
Debt held by the public	323.8	343.0	346.5
Outstanding Federal and federally assisted credit, end of year:			
Direct loans	50.1	43.9	45.9
Guaranteed and insured loans ¹	133.7	147.7	159.7
Government-sponsored agency loans ²	48.9	67.2	83.3

¹ Excludes loans held by Government accounts and special credit agencies.

² See table E-7 in Special Analysis E, *Federal Credit Programs*, published in a separate volume.

energy shortage. Along these lines, the Congress should enact the proposals I made last year to improve our regular unemployment insurance system by establishing higher minimum benefit standards and extending coverage to farm workers.

Under conditions of full employment the budget outlays I propose would be less than the receipts from present and proposed taxes by about \$4 billion in 1974 and \$8 billion in 1975. A 4% rate of unemployment is used as a measure of full employment in calculating these surpluses. These surpluses, following a small full-employment deficit in 1973, and rising somewhat from 1974 to 1975, are consistent with our objective of moderate restraint.

In large part, the estimated increase in the full-employment surplus is the result of the high inflation rate experienced in calendar year 1973 and expected to continue for the first half of 1974. In the short run, inflation increases receipts more than it increases outlays. Thus, it increases for a time the surplus that would be achieved at high employment. This means that the budget has the effect of restraining inflation. The rising full-employment surpluses estimated here are largely the product of an inflation that is proceeding

too rapidly. To use the size of these surpluses as an invitation or an excuse for more spending would only make the inflation rate worse.

A 4% unemployment rate is used in calculating full-employment receipts and outlays as a conventional standard which approximately removes the effects on the budget estimates of year-to-year changes in the level of economic activity. To serve this purpose the unemployment rate used for the calculations must be reasonably stable from year to year. However, this does not mean that the feasible and proper target for unemployment is always represented by the same figure. In fact, as a result of changes in the composition of the labor force, a 4% overall unemployment rate today would mean much tighter conditions in labor markets than would have been true ten or twenty years ago.

The estimates of receipts in this budget include the windfall profits tax on oil producers which I have proposed. This tax would recapture the excess profits that these producers would otherwise realize due to rising oil prices.

I continue to urge action on the tax reform and simplification proposals that were discussed with Congress last year. These proposals would not appreciably

THE FULL EMPLOYMENT BUDGET

[Fiscal years. In billions]

<i>Description</i>	<i>1973 actual</i>	<i>1974 estimate</i>	<i>1975 estimate</i>	<i>1976 projection</i>
Full-employment receipts.....	243	278	311	339
Full-employment outlays ¹	245	274	303	329
Full-employment surplus or deficit (—).....	— 2	4	8	10

¹ In these estimates, outlays for unemployment insurance benefits and the Emergency Employment Act program are calculated as they would be at an unemployment rate of only 4%.

affect the *overall* tax burden on the economy; they would simply distribute it more equitably.

Our ability to carry out sound fiscal policy and to provide the resources needed to meet emerging problems is limited by decisions made in the past. The portion of the budget subject to discretionary control has shrunk in recent years primarily because of the relative decline in controllable defense spending, the growth in mandatory grants to State and local governments, and the growth in human resource programs (which largely take the form of benefit payments, set by law, to individuals and families). In 1975, over \$223 billion in outlays, or nearly three-quarters of the budget, will be *virtually uncontrollable* in the short run due to existing law and prior-year commitments. This represents a substantial decline in the controllability of the budget since 1967, when only 59% of outlays were uncontrollable.

Just as each budget is heavily influenced by commitments embodied in those that have preceded it, so each, in turn, strongly influences those that follow. Therefore, the future impact of current decisions must be taken into account by projecting future available resources and the known claims against these resources. This is why the 1975 budget presents detailed projections of its 1976 spending implications; this is also the reason that all five budgets submitted by my Administration have contained 5-year projections of full employment outlays and receipts.

The costs of existing programs and of the new programs I have proposed will rise over time in response to growth in the number of eligible beneficiaries for programs such as social security and other entitlement programs, and in response to

price increases. The rise in outlays for existing and currently proposed programs, however, will be less rapid than the rise in tax receipts. Thus, by 1979, receipts are projected to reach about \$428 billion on a full-employment basis, while outlays for existing and proposed programs will be \$391 billion. This leaves a budget margin—a margin which can be used for tax reduction, new initiatives, or retirement of public debt—of about \$37 billion for 1979. This compares with a margin of \$10 billion projected for 1976. The 1979 margin is a relatively small one—less than 9% of the projected 1979 receipts—to cover the exigencies of the next 5 years. But it is indicative of longer-term fiscal health if proper fiscal discipline is exercised.

TOWARD A LASTING WORLD PEACE

The overriding goal of American foreign policy is to build a lasting world peace, a peace resting on the solid foundation of mutual respect among all nations.

We have made great progress toward this objective during the past few years. During this Administration we have:

- ended American combat involvement in the war in Vietnam;
- ended the draft;
- established more cooperative relations with the Soviet Union;
- developed promising new relationships with the People's Republic of China;
- concluded an initial strategic arms limitation treaty with the Soviet Union; and
- provided diplomatic leadership toward a Middle East peace settlement.

Building sound foundations for a durable peace requires patient and skillful

diplomacy. To be effective, statesmanship must be backed by credible military strength. The 1975 budget provides for the defense forces essential to protect our national security and to maintain the credibility and effectiveness of our diplomatic efforts to preserve world peace.

Increases in spending for military functions are necessary for both 1974 and 1975. Outlays of \$85.8 billion are proposed for 1975, compared to \$79.5 billion for 1974. These figures include the outlay impacts of proposed supplemental appropriations. These increases are required to improve the readiness of our armed forces, to build up levels of essential equipment and supplies, and to meet today's higher costs of maintaining force levels. They would also provide for a vigorous research and development effort that would enable us to produce new weapon systems if they are needed to maintain the strategic balance.

Because of the urgency I attach to a strong defense effort, I am recommending supplemental appropriations for 1974. An increase of \$2.8 billion in budget authority is proposed to improve combat readiness and modernize forces, to augment munitions stock levels in accordance with lessons learned in the Middle East war, and to meet higher fuel costs.

The increases proposed for defense should be viewed in the context of the substantial—but prudent—reduction in our defense forces that has taken place since I took office. This reduction has resulted primarily from our success in bringing about a general easing of world tensions, in achieving mutual arms limitations, and in improving weapons systems and military efficiency. We have 36% fewer men under arms today than we had in 1968. In constant dollar terms, we will spend substantially less for defense in 1975

than we did in 1964, before the Vietnam buildup began.

The dollar costs of defense manpower are much higher with an all-volunteer armed force than they were under the draft. The Nation is now paying the full real costs of its defense in dollar terms; we no longer "tax" the young by commanding their services at less than their market value. I hope that we will never again need a draft.

Strengthening international economic cooperation is essential to our quest for peace. Expansion of peaceful trade relationships helps bind together the peoples of the world. We have already made considerable progress toward international monetary reform, progress which has helped bring about dramatic improvement in our balance of payments. The Trade Reform Act, now before the Congress, would authorize U.S. participation in a new round of international discussions to reduce trade barriers. Failure to enact this measure in a responsible form could result in a wave of trade protectionism that would undermine the economic well-being of all nations. I urge the Congress to approve it.

This budget provides for the continuation of our foreign assistance programs to strengthen the economies of developing nations, to provide humanitarian assistance and disaster relief, and to help friendly nations provide for their own defense.

MEETING THE NATION'S NEEDS FOR ENERGY AND BASIC RESOURCES

Until recent years, this country was largely self-sufficient in energy production. The rapidly growing demands of our households and industries for more and

more energy, however, have now outstripped available low-cost domestic supplies. During the past few years we have become dangerously dependent on imported petroleum, which until recently was low in price. Development of relatively high-cost domestic sources has lagged.

Three years ago, in the first energy message delivered to the Congress by any President, I warned that the long era of abundant low-cost supplies of energy was drawing to a close. I proposed an expanded program to produce greater supplies of clean energy. Last April, in my second energy message, I warned that if existing trends continued unchecked, the Nation would face a serious energy problem; I proposed legislative action to meet this challenge. Since then, I have repeated my previous warnings and proposed urgent measures to restore our capability for energy self-sufficiency. The interruption of oil exports by Arab countries following the Middle East war last October has aggravated the energy problem and underscored sharply the need for this country to regain its ability to be self-sufficient in energy. I have taken all responsible actions I can within my existing authority to meet this challenge.

The 1975 budget reflects a comprehensive national energy policy to deal with current shortages and provides funds to initiate the Federal portion of Project Independence, an accelerated private and governmental effort to reestablish our capability for self-sufficiency in energy by 1980. I anticipate that the research and development component of this program will require about \$10 billion in Government funds during its first 5 years; greater amounts may be needed thereafter. These funds will complement an even larger re-

search and development investment in the private sector, which I will continue to encourage.

Higher prices will be necessary to stimulate development of adequate supplies of fuel through the mechanism of the free market. To assure that this will not result in excess profits for oil producers, I have proposed an emergency windfall profits tax on these producers.

Other elements of my comprehensive national energy policy include:

- reorganization of Federal administrative machinery to deal more effectively with short- and long-term energy needs;
- stringent energy conservation measures and mandatory allocation of petroleum products as long as shortages persist;
- mandatory reporting of oil production, inventories, reserves, and costs;
- modernization of regulations for railroads in order to permit energy savings and other economies;
- policies to accelerate development of domestic oil and gas reserves, including removal of ceilings on wellhead prices for new natural gas, production from the Elk Hills, Calif., Naval Petroleum Reserve, and development by private industry of western oil shale and of off-shore oil and gas deposits;
- measures to permit increased use of our vast coal reserves, including environmental safeguards for surface mining, conversion of oil-fired electric powerplants to coal, improvement of mining techniques, and accelerated efforts to develop technology for coal gasification, coal liquefaction, advanced combustion systems, and pollution control;

- development of fast breeder nuclear reactors, which will greatly increase the amount of energy recoverable from our nuclear fuel resources;
- more timely approval of sites for energy facilities and accelerated construction of nuclear powerplants; and
- increased research on advanced energy sources, including fusion power, and geothermal and solar energy.

The budget provides for \$1.5 billion in outlays for direct energy research and development programs in 1975, compared to \$942 million in 1974. An additional \$128 million in outlays is provided in 1975 for complementary basic research and for environmental and health effects research. I will submit additional details on this accelerated effort to the Congress shortly.

The Federal Government alone cannot overcome the energy crisis. Project Independence will require a maximum effort by private industry as well. The measures proposed in this budget provide the essential governmental leadership to get this joint public and private program underway. In addition, every American household and every American business must economize on energy usage if we are to share temporary shortages equitably, as we must, and reestablish our energy independence in the long run.

The energy crisis has brought to the fore the need for a realistic balancing of the demands of economic growth and the demands of environmental protection. Shortages of “clean” fuels will mean that some temporary variances from air quality plans will be necessary to meet high priority energy needs. The progress we have made in pollution control in recent years, however, along with reductions in

energy consumption, should insure that overall air quality will continue to improve.

The adverse impact of energy shortages on the economy could be aggravated by shortages of other raw materials. A comprehensive study on supplies of metal ores and other basic resources and our needs for them is now underway. This study will help insure that our policies properly anticipate potential problems.

We must also do everything we can to avoid a shortage of agricultural commodities such as we experienced last year. For many years this country enjoyed abundant agricultural production. This abundance not only met domestic needs, but aided greatly in alleviating hunger and malnutrition abroad. In 1972, however, adverse conditions throughout much of the world created widespread agricultural shortages. Food costs began to spiral, both here and abroad.

My Administration made a number of important program changes in 1973 to bring more farm land into production and to increase farm output. These steps, combined with favorable weather conditions, made 1973 a record crop year; farm income reached an all-time high level. Agricultural income now depends more upon the private market, and less upon the Government, than has been the case for over 3 decades. In 1973, direct Government payments to farmers experienced their largest dollar decline in history.

HELPING PEOPLE THROUGH STATE AND LOCAL GOVERNMENTS

Ours is a *federal* system of government. Our Constitution, now nearly two centuries old, provides for a logical division of responsibilities among:

- a strong national government, concerned with essential national needs;
- State and local governments close to, and responsive to, the needs of individuals and local communities; and
- private citizens endowed with civil liberties that are secure from governmental encroachment.

During the first century and a half of our national experience, State and local governments were able to meet community and State needs from their own revenue sources. They were financially independent of the Federal Government. During the past 40 years, however, the needs of State and local governments have outstripped their resources. The Federal Government has therefore come to play a larger and larger role in financing their day-to-day operations. In the 4 years between 1969 and 1973, Federal grants to States and localities doubled. In 1973 this financial aid, disbursed through literally hundreds of separate programs, provided more than 20% of total State and local revenues.

Unfortunately, these Federal programs have all too often been accompanied by regulations and restrictions which have stifled innovation and initiative on the part of State and local officials, severely limiting the ability of those officials most familiar with problems at the local level to respond to local needs.

In response to this problem I have applied a philosophy of government that has come to be known as the New Federalism. It calls for each level of government to focus its attention on the functions most appropriate to that level. By strengthening the resources and responsibilities of State and local governments, it permits their policies and programs to reflect local needs more sensitively.

Broader sharing of Federal revenues with State and local governments is helping to make this philosophy a reality. Under the General Revenue Sharing program, now in its second year, State and local governments receive over \$6 billion a year for use in meeting State and local needs as they see them.

This Administration has also sought to substitute broad-based formula grants for narrow categorical grant programs, giving State and local governments significant discretion as to how funds are used and insuring that Federal aid is more equitably distributed among recipients. These principles now apply to several major areas of Federal assistance.

The *Law Enforcement Assistance* program has demonstrated the feasibility of broad-based formula grants. Aid under this program is being increased from \$28 million in 1969 to \$747 million in 1975 and is helping to make the streets of America safer.

The *Comprehensive Employment and Training Act* which I signed in December extends these same grant principles to manpower programs. Under this Act, the Federal Government will no longer specify the types, methods, and proportions of various manpower services to be provided. Instead, State and local governments will be able to use the funds allocated to them to provide the mix of services which they decide best meets the needs of their areas. The budget provides for \$2 billion in outlays for this program in 1975.

New authorities under the *Rural Development Act* are being implemented this year in a manner which is supportive of State and local development plans and priorities.

I urge congressional action to achieve

similar reform in additional areas this year:

The principles embodied in the *Education Grants Consolidation and Reform* I proposed last year deserve priority attention. State and local education agencies should have greater freedom to direct Federal assistance toward meeting what they view as high priority local needs. I will continue to work with the Congress, therefore, on legislation to consolidate and improve education grant programs.

The *Better Communities Act* would replace several ineffective grant and loan programs with a more streamlined approach to the problems of urban areas. This act would allow localities to decide for themselves how to allocate community development funds. The budget proposes funding for this program of \$2.3 billion in 1975.

The *Unified Transportation Assistance Program* I am proposing this year would provide \$2.3 billion in highway and mass transit funds, and permit States and localities to allocate these grant funds flexibly, in accordance with local conditions and priorities. Since transportation is a major consumer of energy and is strongly affected by the energy crisis, high priority must be given to enabling States and localities to make decisions on transportation systems based on their assessment of economy, energy conservation, environmental impact, and safety considerations.

I am proposing legislation for a new *Economic Adjustment Assistance* program. This legislation would permit States and communities to respond flexibly to problems of economic change and unemployment.

Another central feature of the New Federalism is strengthening the ability of

State and local governments to perform effectively. The *Responsive Governments Act* would broaden Federal assistance available for improving State and local planning, decisionmaking, and management capabilities.

I urge the earliest possible enactment of all these measures.

In parallel with these legislative initiatives, my Administration is continuing its efforts to consolidate and streamline categorical grant programs, to simplify complex and burdensome procedures, and to remove unnecessary, inflexible program restrictions.

As part of this same effort, Federal programs are being decentralized along uniform regional lines, and the Federal Regional Councils are being strengthened to facilitate coordination of Federal with State and local activities at the operating level.

The budget accelerates our programs for aiding State and local governments in improving water quality. The Environmental Protection Agency has allotted \$4 billion to the States for 1975 to make grants for municipal sewage treatment plants, a \$1 billion increase over the allotment for 1974. Priorities for grants within these allotments will be determined by the States. A total of \$6.9 billion was made available for this program in 1973 and 1974, more than twice the amount made available in the preceding 2 years.

STRENGTHENING THE ROLE OF THE INDIVIDUAL

Abraham Lincoln believed that:

"The legitimate object of Government is to do for a community of people whatever they need to have done, but cannot do at all, or cannot do so well, for them-

selves, in their separate and individual capacities. *In all that the people can individually do as well for themselves, government ought not to interfere.*"

I share this belief. This philosophy underlies the efforts of my Administration to strengthen the role of the individual in American society. It is a cornerstone of the New Federalism.

I believe that government policy should seek to maintain an economic environment in which all who are able to work can find employment and adequate earnings. For those unable to support themselves, government should help to provide the means necessary to meet personal and family needs, while preserving individual dignity and self-respect.

My Administration has consistently endeavored to strengthen the role of the individual in American society and to ensure that all Americans enjoy equality of opportunity in education, in employment, in business, and in housing. We have consistently worked to improve assistance for the retired, the disabled, and the unemployed.

Reflecting these concerns, Federal human resource programs have grown dramatically. Between 1969 and 1975, outlays for these programs will have increased by 139%, while outlays for all other programs will have risen only 26%.

The national health insurance plan I am proposing represents another major step toward improving the lives of individual Americans. My proposal calls for basic reform in the financing of medical care. It would bring comprehensive insurance protection against medical expenses within reach of all Americans, including millions of people who cannot now obtain adequate insurance coverage. Costs of coverage for low-income families would

be federally supported, with payments scaled according to family income.

It will take several years for this reform to become fully operational. In the interim, the 1975 budget provides \$26.3 billion for existing health programs. Under this budget, the momentum of cancer, heart, and other research initiatives would be sustained, and total funding for biomedical research would exceed \$2 billion in 1975, almost double the 1969 level. To support continued reform of our medical care system, the budget proposes a total of \$125 million in 1974 and 1975 to demonstrate health maintenance organization concepts throughout the Nation. I am also proposing a Health Resources Planning Act to enhance State and regional capabilities and responsibilities for planning and regulating health services.

The rapid growth of human resource programs in recent years has brought about many improvements in the well-being of the American people. Higher social security benefits and extension of the Medicare program, for example, have increased the economic security of the elderly and the disabled. Cash benefits under social security programs will rise from \$26.2 billion in 1969 to \$62.9 billion in 1975. They now reach 29 million beneficiaries. Five social security benefit increases have been enacted since 1969. Taken together, these increases total nearly 70%, far exceeding the increases in the cost of living, and in average wages, over this period. I continue to urge enactment of legislation to reform private pension plans, legislation which would further strengthen the economic security of millions of Americans in their retirement years.

The Supplemental Security Income program began operation on January 1,

1974, replacing the various State public assistance programs for the aged, the blind, and the disabled with a more uniform and equitable national system. This broad reform provides higher benefits for these disadvantaged groups. In addition, Federal assumption of responsibility for these programs will provide substantial fiscal relief to State and local governments.

Also during the past month, food stamp benefits have been increased by over 20%, and the program has been extended to those parts of the country where it was not available before. Outlays for food stamps will be \$3.9 billion in 1975, 78% higher than the 1973 level.

I propose further measures to improve the income security of Americans, including:

- reform of pensions for veterans and their dependents, with provisions for automatic cost-of-living adjustments in benefits, and better matching of pensions to family need;
- an increase in education benefits for veterans to help meet cost increases since these benefits were last raised;
- automatic cost-of-living increases for the aged, blind, and disabled beneficiaries of the Supplemental Security Income program;
- transfer of food stamps and related nutrition programs to the Department of Health, Education, and Welfare, to improve coordination of income maintenance programs; and
- continued priority efforts to develop a practical program of direct cash assistance for housing.

One of the major unfinished pieces of business of my Administration is the replacement of the current welfare system

with a new system that *works*. Figures collected over the past year are grim testimony to the fact that our current welfare system is a mess; these figures show that fully 40% of the payments made are incorrect. I intend to make new proposals to solve this continuing problem.

As we begin this effort, I hope that the debate can focus on the substance of the issues, not on superficial labels. I believe that the majority of the American people agree on the principles that should guide Federal income assistance:

- the system should provide strong work incentives for those able to help themselves;
- income assistance should be provided in cash, rather than in kind, so that families can make their own spending decisions;
- the system should be as simple as possible, replacing the chaotic rules and overlapping programs that we have now;
- the levels of support provided should reflect the compassionate spirit of the American people toward those who cannot provide for themselves; and
- Federal aid should be provided on an equitable basis nationwide.

I believe that the Administration and the Congress, working together, can *and must* find a solution that accords with these principles.

IMPROVING MANAGEMENT IN THE FEDERAL GOVERNMENT

The recommendations contained in this budget are part of a broad effort by my Administration, working with the Congress and with State and local officials, to improve public services at all lev-

els. The New Federalism is a crucial element of this broad endeavor. A second, complementary element consists of improving the efficiency and effectiveness of Federal programs in carrying out Federal responsibilities.

Concern for meeting problems must extend beyond the well-intended commitment of public funds. What really matters are the tangible results produced through the effective use of these funds—results measured in terms of better lives for all Americans.

Since I assumed office as President, I have encouraged extensive efforts to streamline and revitalize the organization and management of the Federal Government. These efforts are helping to ensure that the taxpayers get their money's worth from the Government.

To enable the Federal Government to meet emerging challenges more effectively, several new organizations have been created during my Administration, and existing ones have been improved. Among these new offices are Action, the Environmental Protection Agency, the Council on Environmental Quality, the National Oceanic and Atmospheric Administration, the Domestic Council, the Office of Management and Budget, the Drug Enforcement Administration, the Consumer Product Safety Commission, the Council on International Economic Policy, and the Federal Energy Office.

In 1971 I proposed creation of four new departments, including a department to be responsible for energy and natural resources. I continue to urge congressional approval of this proposal as revised in legislation submitted last year. In addition, I ask the Congress to join me in renewing consideration of other departmental reorganization legislation that will permit

more effective management of the Government.

During the past 25 years, Presidents have been able to make many improvements in Government organization under Presidential Reorganization Plan Authority. This legislation has now expired. I urge the Congress to restore this authority as soon as possible in order to facilitate continued modernization of our governmental structure.

Good organization is only a first step toward improving governmental performance. Government can be effective only if the public service can develop and retain capable leadership. In response to this need, this Administration has placed high priority on the identification and development of the most able career managers. We intend to intensify this effort.

Increasing the effectiveness of individual programs is another essential step in improving overall governmental performance. During the past year I have launched an intensive effort to strengthen the management of major Federal activities. The emphasis in this management initiative is not on producing a great display of activity, nor on merely rearranging work processes; the emphasis is on producing significant *results*. To help keep a constant focus on program results, I have asked each major department and agency to work with me in developing a set of specific objectives to be achieved during fiscal year 1974. As we approach 1975, we will identify further objectives. Currently, we are working toward more than 200 such objectives, ranging from international monetary reform to improvement of opportunities for minorities and women.

These objectives will not simply be identified and then filed away and for-

gotten. Specific results are to be achieved by specific deadlines. These commitments will be reviewed continually and will guide day-to-day operations until the objectives are met.

Congressional procedures, too, are in need of reform—particularly those that deal with the budget. In my last three budget messages I encouraged the Congress to reform its procedures for considering the budget. I noted that the Congress faced a fundamental problem because it lacks a system for relating each individual spending decision—whether or not it is part of the appropriation process—to overall budget totals. The need for a more systematic congressional process was once again illustrated during the session just concluded. Congressional actions, taken together, increased spending totals over my proposals by \$3.8 billion in 1974 and by \$8.2 billion in 1975.

The Congress is currently moving toward a new budgetary system. I commend this action and urge that the final procedures worked out by the Congress recognize the necessary and proper role of the President and his responsibility for efficient administration of the executive branch. I am particularly concerned about provisions which would subject some of the most routine financial actions of the

executive branch to veto by either house of the Congress.

CONCLUSION

The proposals set forth in this budget are constructive and forward-looking. They meet the Federal Government's responsibility to provide vigorous national leadership toward the solution of major national problems. They do so within the bounds of fiscal prudence.

But the Federal Government cannot do everything. It should not be expected to. Nor can money alone solve all our problems. Recognizing these limitations, my Administration has made an intensive effort to identify and *do well* those things which the Federal Government should do. By the same token, this budget, like my previous ones, stresses the revitalization of individual initiative and of State and local capabilities. It represents an important further step in my efforts to restore a proper balance of individual and governmental power in America.

RICHARD NIXON

February 4, 1974.

NOTE: The message as sent to the Congress included illustrative diagrams which have not been reproduced in this volume.

33 Remarks at the Annual Meeting of the American Hospital Association's House of Delegates.

February 5, 1974

Mr. Kauffman and all of the members and guests at this occasion of the American Hospital Association House of Delegates meeting:

I am honored to be the first President of the United States to address this orga-

nization, and of course,, on such an occasion I am trying to think of a way I can relate to your organization in terms of having either been—well, I have been in a hospital, but I have never worked in a hospital.

While I have not done so, my wife has, and I am glad that you paid tribute to her as well as to our daughters, because many years ago when she was working her way through school, the University of Southern California, between junior college and finally getting her degree, she took off some time, a period of approximately 2 years, and worked as an X-ray technician in a hospital in New York City. So, she could be an honorary member of your organization.

As far as myself, I just try to stay out of the hospital.

Because this is a special occasion in terms of a President for the first time addressing this organization and because this is a significant year in terms of what may happen with regard to health care as far as your National Government is concerned, I thought, Mr. Kauffman, it would be appropriate for me to read a statement, a Presidential statement that I have prepared, in which I will be talking to you but also will be talking to the Nation about the health care proposals that the Congress will be considering during the course of this year.

I would say at the outset that I have had discussions with members of your organization and, of course, with members of the medical profession on various aspects of these proposals and will expect to have more. But just to outline them now briefly, I think this statement would be in order.

Gandhi used to say that "It is health which is real wealth . . ." And if that is the case, there is a lot of wealth in this room. By your efforts and the efforts of doctors and nurses and medical scientists in laboratories and schools throughout this country, this is a very wealthy Nation.

But, of course, we can do better, do

better in this field as in every other field. I think the time has come to make it possible for every American to have access financially to the best health care this Nation is capable of providing.

Those who can afford it should pay for it, but those who cannot afford it must not have it denied on that account.

We don't want a generation of Americans on the 200th anniversary of this country—that is just 3 years away—to look back and wonder why, in the richest country in the world, some were denied the right to live because, in the starkest sense, they just couldn't afford it.

We want to leave a legacy of peace for the next generation—I will have more to say about that later—but that achievement will be flawed if we cannot also provide a legacy of life whenever we have the means to do so. We have to increase the availability of our health service, and as high as the quality of that service is—and it is high in America—we have to increase the quality as well.

There are those who say that health services in America can only be improved and extended by the Federal Government, and with that I totally disagree. That will be a major subject for debate during this session of the Congress and during the year 1974, when some health care legislation is going to be enacted, in my opinion.

But, let me give you the reasons for my opposing the total Federal involvement in this area and control of it and my reasons for the program that we have presented to the Congress.

I believe we should build on the great strengths of the health care system in this country that we already have, and not destroy them. For 5 years we have been building on the strengths of that system,

and for 5 years we have made solid progress.

I could go over the litany of what we have done. We have increased the budget. We just put out the budget yesterday, and comparing with what it was in the year 1969, 5 years ago, it has gone from \$17 billion to over \$35 billion for health care, including new initiatives in the field of cancer and heart disease and sickle cell anemia and drug abuse and many other areas with which all of you are familiar.

But having spoken of what we have done in the past, we today have to look to the future, and I repeat that while we do have the finest health care anywhere in the world, there are still too many Americans who lack health insurance protection.

Let me give you some of the numbers. You probably know them, but it is good for the national audience to hear them.

One out of every 10 Americans has no coverage at all, either public or private. Among those who do have it, 4 out of 10 are not covered for visits to the doctor's office.

Now, you as people who operate and work in the hospital field know that when the visits to the doctor's office are not covered, that creates an incentive for people to go into hospitals when hospital care might not be necessary.

Less than half of the present programs have major medical coverage that pays for long, expensive, what we call catastrophic illnesses, and very few over 65 have this protection at an age it is often most needed. What this all means is that a very substantial number of our people simply cannot afford the high quality medical care that is now available in America.

For some, it means that they delay seek-

ing medical attention until no amount of medical attention can help them. And for others, catastrophic illness in America means catastrophic debt.

I would like at this point to make a personal observation from my own experience as to what catastrophic illness can do to a family.

Forty-five years ago, my oldest brother contracted tuberculosis. In those days, we did not have the new methods of treatment which handled tuberculosis very effectively and very quickly, and for 5 years my oldest brother was bedridden. My mother took care of him, took him to Arizona, I remember, for 3 of those 5 years. It was, of course, a very great burden on the family from the standpoint of the separation. It was, from a financial standpoint, a disaster.

As a matter of fact, we recovered from it. We were able to go on and seek our education and the rest, but that example could be repeated today in millions of American homes. Not with regard to tuberculosis. We can be thankful, as I have indicated, that the advances in medical science would not require 5 years of bedrest as a possible, not cure, but possible way to arrest the disease.

But there are other diseases, all of which you are familiar with, which do require not only a great deal of money but also a great deal of time in a hospital.

Now, 3 years ago I proposed to the Congress a national health insurance program to insure that no American would be denied financial access to high quality medical care because of an inability to pay. I believed in that—you know, everybody in politics has some particular program that he believes in very deeply because of his own personal experience. I have related a personal experience, one

from my own family, which indicates why I believe we have got to move in this area so that other families of modest means will not be driven, basically, to bankruptcy because of the inability to handle medical care problems of a catastrophic type.

And so, when I proposed that to Congress, I hoped that we would get action. No legislation has reached my desk. As a matter of fact, I imagine many in this room oppose the legislation. Many in the Congress oppose it. The end result, however, was no action.

Later this week, I am going to send a new proposal to the Congress to get this job done, and I am going to urge enactment at the earliest date. The name of the program: the comprehensive health insurance plan. It has seven main principles. Listen to them carefully, what they do say and what they do not say, what they do not say insofar as Federal involvement is concerned:

First, it will offer every American financial access to balanced comprehensive health care protection.

Second, its cost will be based on each person's ability to pay.

It will build on our existing public and private health financing systems and not destroy them.

It will use public funds only when needed.

It will maintain the freedom of both the patients and the doctors to choose.

It will encourage the most effective use of our health care resources.

And finally, it will give every American a direct stake in making the system work.

Now, building on these principles, the same balanced, dignified health care protection would be offered to every American under one of three plans.

There would be a special employment

plan which would be offered where people do work and can contribute to the plan.

There would be a Government assistance plan which would cover people with low incomes and those who can't purchase health insurance at a reasonable cost, such as those already in poor health or those whose work entails risks.

And finally, the existing Medicare program would continue to serve those over 65, but it would offer improved benefits matching those in the other plans that we are recommending.

These plans would largely operate through the existing private insurance carriers. Medicare would continue to be administered as it is now. Coverage under all these plans would be identical. It would finance virtually all of the health protection people need: hospital and physician's care in and out of the hospital, drugs, laboratory tests, X-rays, medical devices, ambulance service, and so forth.

One of the most critical features of this comprehensive plan is the way it would be financed. For those who are working and who are under the employment plan, the employer would pay the bulk of the cost of the premiums while the employee would pay the rest. But note, the employee as well as the employer pays.

For those who come under the Government assistance plan, there would be a sharing of cost with the Government, based upon the individual ability to pay for premiums. Again, if the individual is able to pay even a small part, he does pay. No premiums would be charged, only for those who have very low incomes who cannot afford to pay premiums. The insurance itself would be channeled again through private insurance companies.

The overall result is, under this plan,

that we would not have to have any new Federal taxes. The additional costs could be paid for out of revenue that would be already available. More importantly, our entire health care system would not be placed under the heavy hand of the Federal Government.

We would preserve and strengthen our present health care system, rather than destroy it. We would continue to rely on partnership, not paternalism. And, as I said in my State of the Union Message, most importantly the great majority of doctors in this Nation would be working for their patients rather than be working for the Government, and that is the key element of this plan.

Now, without dotting all the "i's" or crossing all the "t's," I believe that comprehensive health insurance is an idea whose time has come. I believe that some kind of program will be enacted in the year 1974. There has long been a need to assure that no American is denied high-quality health care because he can't afford it.

As costs go up, that need grows more pressing, and all of you know how the costs do go up. Now for the first time, we have not just the need but the will to get the job done, because there is widespread support in the Congress for some kind of action, even though there is disagreement as to what the action should be.

If we have the will, 1974 should also be the year that we find the way. The plan that I am proposing this week is, I believe, the best way. Improvements, undoubtedly, can be made in it. We will welcome your recommendations and suggestions, as well as those of Members of Congress, the medical professions, and others who are expert in this field.

But above all, let us not fail to act in a responsible way so that we end up acting in an irresponsible way by just turning everything over to the Federal Government and providing for a plan that would cost \$80 to \$100 billion in new taxes to finance.

Just let me say this: I have seen most of the nations of the world, along with Mrs. Nixon. I admire all of the people of the world, and while I disagree, as you will disagree, with many of their systems of government, we respect them as people.

But looking at health care, I have seen nation after nation that has what is called free medical care—nation after nation that has totally controlled, government subsidized medical care. Now, as far as those countries are concerned, they went that way, they have chosen that—if they had an opportunity to choose—and that is their right.

But we have a better way in the United States. What they have tried abroad, in my opinion, is not the best way for America. Let's profit from their mistakes and not make the mistake of destroying what I believe is the best medical care system in the world. That we already have in the United States.

Before I conclude, let me speak very pragmatically to you now as one who has observed the political scene for many years.

Action is going to be taken of some kind because there is a need. And when there is a need, the Congress responds to that need. And if a constructive plan to meet the need is not presented to the Congress, it will mean inevitably that a less responsible plan, even, for example, one that would appeal to the demagogues, would be the inevitable result—not that I am

suggesting that all those who favor a different plan do not just as honestly and sincerely believe in their plans as I do.

But what I am simply saying is this: The people in this room know our present system; you know its strengths, and you know its weaknesses. The people in this room know what would happen if the Federal Government simply wiped out our private medical profession, our private health care system, and imposed a huge Government bureaucracy over you where the doctors would be spending more time filling out forms than they would be treating their patients—and a lot of them do that already, incidentally, I am afraid.

But with this in mind, knowing how you so deeply believe in our present system—because you have grown up in it, you have helped to make it work—I want you all to be aware of the fact that in order to save it, it is essential that we have it meet the needs that most of the people in this country feel need to be met.

Now, we have to recognize that the average person, when you poll them, says that health care costs too much, everything costs too much. That is an obvious reaction of most people, but particularly in this field there is a general rebellion against high costs. On the other hand, what we must realize is that when we are confronted with that kind of a reaction among people at large, it is essential to try to find the right answer, or otherwise, we will be plagued for the rest of our lives with the wrong answer.

I think there can be a right answer. I think that today I have outlined for you a program that moves in the right direction. And to the extent that you can sincerely

bring yourselves to believe in this program as a better way to improve our health care system in the United States, I therefore ask for your support, because I think it is essential that whenever we have a Government program we should work through those that have to operate it rather than over them, have them participate voluntarily in developing it because they are the ones that are going to have to make it work.

That is why, again, I oppose the efforts of those who would simply impose a complete federally controlled program against the will of the medical profession, many in this audience who are in the health care responsibilities, because it is vitally important for any system, if it is to work, for those who have to operate it to have a part of it, to believe in it, and to feel it is a system that will be in the interest of the patients that they serve as well, of course, as in their own interests.

When I spoke at the State of the Union, I spoke of the legacy that I would like to leave after my term of service in the Presidency, 8 years. And when I referred to that, I said that many could have different priorities. One President may want to leave a legacy of parks, or another President may want to leave a legacy of better highways. As far as I am concerned, the most important legacy at this particular time in history that a President of the United States can leave is a legacy of peace.

Let me just say a word with regard to that legacy, because it relates to the legacy you will leave as well. We have peace now. We have ended the Nation's longest war. But we have ended wars before, so the real question before the

American people and the question that we are now addressing is not simply ending a war and having a peace that simply is an interlude between wars but to have something that we haven't had in this country for a century, a whole generation of peace, or longer, we would trust.

And that is why the initiatives that we have made in these past 5 years, our trips to China, to Moscow, to other parts of the world, our negotiations rather than confrontation with leaders of systems of government with which we totally disagree but with whom we must negotiate or accept the consequences of a confrontation that is unacceptable to either side in a nuclear war.

And so, as we have moved in this direction, I would say to you today that I think the chances of building not just the temporary peace of "My, the war is over, the war in Vietnam so far away that cost so much not only abroad but at home, not only among those who died but those who suffered in prisons and, of course, in our own society. But now that that war is over, now we have peace, isn't it wonderful?"

The answer is, it will be wonderful only if we continue the kind of diplomacy that will build a lasting structure of peace that will avoid those brushfire wars that could spread into a world conflagration, that will have the great powers meeting and discussing differences, even recognizing that they are very far apart in their interests. It is this that is, in outline, the strategy of this Administration in working toward fulfilling the kind of legacy we would like to leave, a legacy of peace for the next generation.

You also have a legacy to leave. You, of course, can help in building the legacy of

peace by supporting peace initiatives when you think they are right. But I go back to what Mr. Gandhi said: "It is health which is real wealth . . ." And you who are members of the American Hospital Association and your colleagues in the medical professions, you can help leave a legacy where America, which is, of course, the wealthiest country in the world, is also the healthiest country in the world, where America makes a great stride forward in your time in providing not only the best medical care but making it available to those who cannot afford it as well as those who can. That is a great goal, and it is one that I commend to you as being a goal that should join all of you together but would have the support of all Americans.

And so may I say to you, Mr. Kauffman, to the distinguished delegates and your guests, we are working together toward the same goal. I hope that we can leave a legacy of peace, and I hope also that we can make progress in many domestic areas. But on the domestic front there is no area in which I think people are more concerned and in which a greater contribution can be made than in the field of health. The Nation's health is in your hands, and we want to work with you in taking this great health care system that you have helped to build and make it better, make it better by making it more available to all of the people of this great land. That is a great goal, and you will leave a great legacy.

Thank you.

NOTE: The President spoke at 11:10 a.m. in the International Ballroom of the Washington Hilton Hotel. He was introduced by John W. Kauffman, chairman of the Association's House of Delegates.

34 Special Message to the Congress Proposing a Comprehensive Health Insurance Plan. *February 6, 1974*

To the Congress of the United States:

One of the most cherished goals of our democracy is to assure every American an equal opportunity to lead a full and productive life.

In the last quarter century, we have made remarkable progress toward that goal, opening the doors to millions of our fellow countrymen who were seeking equal opportunities in education, jobs and voting.

Now it is time that we move forward again in still another critical area: health care.

Without adequate health care, no one can make full use of his or her talents and opportunities. It is thus just as important that economic, racial and social barriers not stand in the way of good health care as it is to eliminate those barriers to a good education and a good job.

Three years ago, I proposed a major health insurance program to the Congress, seeking to guarantee adequate financing of health care on a nationwide basis. That proposal generated widespread discussion and useful debate. But no legislation reached my desk.

Today the need is even more pressing because of the higher costs of medical care. Efforts to control medical costs under the New Economic Policy have been met with encouraging success, sharply reducing the rate of inflation for health care. Nevertheless, the overall cost of health care has still risen by more than 20 percent in the last two and one-half years, so that more and more Americans face

staggering bills when they receive medical help today:

—Across the Nation, the average cost of a day of hospital care now exceeds \$110.

—The average cost of delivering a baby and providing postnatal care approaches \$1,000.

—The average cost of health care for terminal cancer now exceeds \$20,000.

For the average family, it is clear that without adequate insurance, even normal care can be a financial burden while a catastrophic illness can mean catastrophic debt.

Beyond the question of the prices of health care, our present system of health care insurance suffers from two major flaws:

First, even though more Americans carry health insurance than ever before, the 25 million Americans who remain uninsured often need it the most and are most unlikely to obtain it. They include many who work in seasonal or transient occupations, high-risk cases, and those who are ineligible for Medicaid despite low incomes.

Second, those Americans who do carry health insurance often lack coverage which is balanced, comprehensive and fully protective:

—Forty percent of those who are insured are not covered for visits to physicians on an out-patient basis, a gap that creates powerful incentives toward high-cost care in hospitals;

—Few people have the option of select-

ing care through prepaid arrangements offered by Health Maintenance Organizations so the system at large does not benefit from the free choice and creative competition this would offer;

—Very few private policies cover preventive services;

—Most health plans do not contain built-in incentives to reduce waste and inefficiency. The extra costs of wasteful practices are passed on, of course, to consumers; and

—Fewer than half of our citizens under 65—and almost none over 65—have major medical coverage which pays for the cost of catastrophic illness.

These gaps in health protection can have tragic consequences. They can cause people to delay seeking medical attention until it is too late. Then a medical crisis ensues, followed by huge medical bills—or worse. Delays in treatment can end in death or lifelong disability.

COMPREHENSIVE HEALTH INSURANCE PLAN (CHIP)

Early last year, I directed the Secretary of Health, Education, and Welfare to prepare a new and improved plan for comprehensive health insurance. That plan, as I indicated in my State of the Union message, has been developed and I am presenting it to the Congress today. I urge its enactment as soon as possible.

The plan is organized around seven principles:

First, it offers every American an opportunity to obtain a balanced, comprehensive range of health insurance benefits;

Second, it will cost no American more than he can afford to pay;

Third, it builds on the strength and

diversity of our existing public and private systems of health financing and harmonizes them into an overall system;

Fourth, it uses public funds only where needed and requires no new Federal taxes;

Fifth, it would maintain freedom of choice by patients and ensure that doctors work for their patient, not for the Federal Government.

Sixth, it encourages more effective use of our health care resources;

And finally, it is organized so that all parties would have a direct stake in making the system work—consumer, provider, insurer, State governments and the Federal Government.

BROAD AND BALANCED PROTECTION FOR ALL AMERICANS

Upon adoption of appropriate Federal and State legislation, the Comprehensive Health Insurance Plan would offer to every American the same broad and balanced health protection through one of three major programs:

—Employee Health Insurance, covering most Americans and offered at their place of employment, with the cost to be shared by the employer and employee on a basis which would prevent excessive burdens on either;

—Assisted Health Insurance, covering low-income persons, and persons who would be ineligible for the other two programs, with Federal and State government paying those costs beyond the means of the individual who is insured; and,

—An improved Medicare Plan, covering those 65 and over and offered through a Medicare system that is modified to include additional, needed benefits.

One of these three plans would be avail-

able to every American, but for everyone, participation in the program would be voluntary.

The benefits offered by the three plans would be identical for all Americans, regardless of age or income. Benefits would be provided for:

- hospital care;
- physicians' care in and out of the hospital;
- prescription and life-saving drugs;
- laboratory tests and X-rays;
- medical devices;
- ambulance services; and,
- other ancillary health care.

There would be no exclusions of coverage based on the nature of the illness. For example, a person with heart disease would qualify for benefits as would a person with kidney disease.

In addition, CHIP would cover treatment for mental illness, alcoholism and drug addiction, whether that treatment were provided in hospitals and physicians' offices or in community based settings.

Certain nursing home services and other convalescent services would also be covered. For example, home health services would be covered so that long and costly stays in nursing homes could be averted where possible.

The health needs of children would come in for special attention, since many conditions, if detected in childhood, can be prevented from causing lifelong disability and learning handicaps. Included in these services for children would be:

- preventive care up to age six;
- eye examinations;
- hearing examinations; and,
- regular dental care up to age 13.

Under the Comprehensive Health Insurance Plan, a doctor's decisions could be based on the health care needs of his

patients, not on health insurance coverage. This difference is essential for quality care.

Every American participating in the program would be insured for catastrophic illnesses that can eat away savings and plunge individuals and families into hopeless debt for years. No family would ever have annual out-of-pocket expenses for covered health services in excess of \$1,500, and low-income families would face substantially smaller expenses.

As part of this program, every American who participates in the program would receive a Healthcard when the plan goes into effect in his State. This card, similar to a credit card, would be honored by hospitals, nursing homes, emergency rooms, doctors, and clinics across the country. This card could also be used to identify information on blood type and sensitivity to particular drugs—information which might be important in an emergency.

Bills for the services paid for with the Healthcard would be sent to the insurance carrier who would reimburse the provider of the care for covered services, then bill the patient for his share, if any.

The entire program would become effective in 1976, assuming that the plan is promptly enacted by the Congress.

HOW EMPLOYEE HEALTH INSURANCE WOULD WORK

Every employer would be required to offer all full-time employees the Comprehensive Health Insurance Plan. Additional benefits could then be added by mutual agreement. The insurance plan would be jointly financed, with employers paying 65 percent of the premium for the first three years of the plan, and 75 per-

cent thereafter. Employees would pay the balance of the premiums. Temporary Federal subsidies would be used to ease the initial burden on employers who face significant cost increases.

Individuals covered by the plan would pay the first \$150 in annual medical expenses. A separate \$50 deductible provision would apply for out-patient drugs. There would be a maximum of three medical deductibles per family.

After satisfying this deductible limit, an enrollee would then pay for 25 percent of additional bills. However, \$1,500 per year would be the absolute dollar limit on any family's medical expenses for covered services in any one year.

As an interim measure, the Medicaid program would be continued to meet certain needs, primarily long-term institutional care. I do not consider our current approach to long-term care desirable because it can lead to overemphasis on institutional as opposed to home care. The Secretary of Health, Education, and Welfare has undertaken a thorough study of the appropriate institutional services which should be included in health insurance and other programs and will report his findings to me.

IMPROVING MEDICARE

The Medicare program now provides medical protection for over 23 million older Americans. Medicare, however, does not cover outpatient drugs, nor does it limit total out-of-pocket costs. It is still possible for an elderly person to be financially devastated by a lengthy illness even with Medicare coverage.

I therefore propose that Medicare's

benefits be improved so that Medicare would provide the same benefits offered to other Americans under Employee Health Insurance and Assisted Health Insurance.

Any person 65 or over, eligible to receive Medicare payments, would ordinarily, under my modified Medicare plan, pay the first \$100 for care received during a year, and the first \$50 toward outpatient drugs. He or she would also pay 20 percent of any bills above the deductible limit. But in no case would any Medicare beneficiary have to pay more than \$750 in out-of-pocket costs. The premiums and cost sharing for those with low incomes would be reduced, with public funds making up the difference.

The current program of Medicare for the disabled would be replaced. Those now in the Medicare for the disabled plan would be eligible for Assisted Health Insurance, which would provide better coverage for those with high medical costs and low incomes.

Premiums for most people under the new Medicare program would be roughly equal to that which is now payable under Part B of Medicare—the Supplementary Medical Insurance program.

HOW ASSISTED HEALTH INSURANCE WOULD WORK

The program of Assisted Health Insurance is designed to cover everyone not offered coverage under Employee Health Insurance or Medicare, including the unemployed, the disabled, the self-employed, and those with low incomes. In addition, persons with higher incomes could also obtain Assisted Health Insur-

ance if they cannot otherwise get coverage at reasonable rates. Included in this latter group might be persons whose health status or type of work puts them in high-risk insurance categories.

Assisted Health Insurance would thus fill many of the gaps in our present health insurance system and would ensure that for the first time in our Nation's history, all Americans would have financial access to health protection regardless of income or circumstances.

A principal feature of Assisted Health Insurance is that it relates premiums and out-of-pocket expenses to the income of the person or family enrolled. Working families with incomes of up to \$5,000, for instance, would pay no premiums at all. Deductibles, co-insurance, and maximum liability would all be pegged to income levels.

Assisted Health Insurance would replace State-run Medicaid for most services. Unlike Medicaid, where benefits vary in each State, this plan would establish uniform benefit and eligibility standards for all low-income persons. It would also eliminate artificial barriers to enrollment or access to health care.

COSTS OF COMPREHENSIVE HEALTH INSURANCE

When fully effective, the total new costs of CHIP to the Federal and State governments would be about \$6.9 billion with an additional small amount for transitional assistance for small and low wage employers:

—The Federal Government would add about \$5.9 billion over the cost of continuing existing programs to finance

health care for low-income or high risk persons.

—State governments would add about \$1.0 billion over existing Medicaid spending for the same purpose, though these added costs would be largely, if not wholly offset by reduced State and local budgets for direct provision of services.

—The Federal Government would provide assistance to small and low wage employers which would initially cost about \$450 million but be phased out over five years.

For the average American family, what all of these figures reduce to is simply this:

—The national average family cost for health insurance premiums each year under Employee Health Insurance would be about \$150; the employer would pay approximately \$450 for each employee who participates in the plan.

—Additional family costs for medical care would vary according to need and use, but in no case would a family have to pay more than \$1,500 in any one year for covered services.

—No additional taxes would be needed to pay for the cost of CHIP. The Federal funds needed to pay for this plan could all be drawn from revenues that would be generated by the present tax structure. I am opposed to any comprehensive health plan which requires new taxes.

MAKING THE HEALTH CARE SYSTEM WORK BETTER

Any program to finance health care for the Nation must take close account of two critical and related problems—cost and quality.

When Medicare and Medicaid went into effect, medical prices jumped almost twice as fast as living costs in general in the next five years. These programs increased demand without increasing supply proportionately and higher costs resulted.

This escalation of medical prices must not recur when the Comprehensive Health Insurance Plan goes into effect. One way to prevent an escalation is to increase the supply of physicians, which is now taking place at a rapid rate. Since 1965, the number of first-year enrollments in medical schools has increased 55 percent. By 1980, the Nation should have over 440,000 physicians, or roughly one-third more than today. We are also taking steps to train persons in allied health occupations, who can extend the services of the physician.

With these and other efforts already underway, the Nation's health manpower supply will be able to meet the additional demands that will be placed on it.

Other measures have also been taken to contain medical prices. Under the New Economic Policy, hospital cost increases have been cut almost in half from their post-Medicare highs, and the rate of increase in physician fees has slowed substantially. It is extremely important that these successes be continued as we move toward our goal of comprehensive health insurance protection for all Americans. I will, therefore, recommend to the Congress that the Cost of Living Council's authority to control medical care costs be extended.

To contain medical costs effectively over the long-haul, however, basic reforms in the financing and delivery of care are also

needed. We need a system with built-in incentives that operates more efficiently and reduces the losses from waste and duplication of effort. Everyone pays for this inefficiency through their health premiums and medical bills.

The measure I am recommending today therefore contains a number of proposals designed to contain costs, improve the efficiency of the system and assure quality health care. These proposals include:

1. HEALTH MAINTENANCE ORGANIZATIONS (HMO'S)

On December 29, 1973, I signed into law legislation designed to stimulate, through Federal aid, the establishment of prepaid comprehensive care organizations. HMO's have proved an effective means for delivering health care and the CHIP plan requires that they be offered as an option for the individual and the family as soon as they become available. This would encourage more freedom of choice for both patients and providers, while fostering diversity in our medical care delivery system.

2. PROFESSIONAL STANDARDS REVIEW ORGANIZATIONS (PSRO'S)

I also contemplate in my proposal a provision that would place health services provided under CHIP under the review of Professional Standards Review Organizations. These PSRO's would be charged with maintaining high standards of care and reducing needless hospitalization. Operated by groups of private physicians, professional review organizations

can do much to ensure quality care while helping to bring about significant savings in health costs.

3. MORE BALANCED GROWTH IN HEALTH FACILITIES

Another provision of this legislation would call on the States to review building plans for hospitals, nursing homes and other health facilities. Existing health insurance has overemphasized the placement of patients in hospitals and nursing homes. Under this artificial stimulus, institutions have felt impelled to keep adding bed space. This has produced a growth of almost 75 percent in the number of hospital beds in the last twenty years, so that now we have a surplus of beds in many places and a poor mix of facilities in others. Under the legislation I am submitting, States can begin remedying this costly imbalance.

4. STATE ROLE

Another important provision of this legislation calls on the States to review the operation of health insurance carriers within their jurisdiction. The States would approve specific plans, oversee rates, ensure adequate disclosure, require an annual audit and take other appropriate measures. For health care providers, the States would assure fair reimbursement for physician services, drugs and institutional services, including a prospective reimbursement system for hospitals.

A number of States have shown that an effective job can be done in containing costs. Under my proposal all States would

have an incentive to do the same. Only with effective cost control measures can States ensure that the citizens receive the increased health care they need and at rates they can afford. Failure on the part of States to enact the necessary authorities would prevent them from receiving any Federal support of their State-administered health assistance plan.

MAINTAINING A PRIVATE ENTERPRISE APPROACH

My proposed plan differs sharply with several of the other health insurance plans which have been prominently discussed. The primary difference is that my proposal would rely extensively on private insurers.

Any insurance company which could offer those benefits would be a potential supplier. Because private employers would have to provide certain basic benefits to their employees, they would have an incentive to seek out the best insurance company proposals and insurance companies would have an incentive to offer their plans at the lowest possible prices. If, on the other hand, the Government were to act as the insurer, there would be no competition and little incentive to hold down costs.

There is a huge reservoir of talent and skill in administering and designing health plans within the private sector. That pool of talent should be put to work.

It is also important to understand that the CHIP plan preserves basic freedoms for both the patient and doctor. The patient would continue to have a freedom of choice between doctors. The doctors would continue to work for their patients,

not the Federal Government. By contrast, some of the national health plans that have been proposed in the Congress would place the entire health system under the heavy hand of the Federal Government, would add considerably to our tax burdens, and would threaten to destroy the entire system of medical care that has been so carefully built in America.

I firmly believe we should capitalize on the skills and facilities already in place, not replace them and start from scratch with a huge Federal bureaucracy to add to the ones we already have.

COMPREHENSIVE HEALTH INSURANCE PLAN—A PARTNERSHIP EFFORT

No program will work unless people want it to work. Everyone must have a stake in the process.

This Comprehensive Health Insurance Plan has been designed so that everyone involved would have both a stake in making it work and a role to play in the process—consumer, provider, health insurance carrier, the States and the Federal Government. It is a partnership program in every sense.

By sharing costs, consumers would have a direct economic stake in choosing and using their community's health resources wisely and prudently. They would be assisted by requirements that physicians and other providers of care make available to patients full information on fees, hours of operation and other matters affecting the qualifications of providers. But they would not have to go it alone either: doctors, hospitals and other providers of care would also have a direct stake in making

the Comprehensive Health Insurance Plan work. This program has been designed to relieve them of much of the red tape, confusion and delays in reimbursement that plague them under the bewildering assortment of public and private financing systems that now exist. Healthcards would relieve them of troublesome bookkeeping. Hospitals could be hospitals, not bill collecting agencies.

CONCLUSION

Comprehensive health insurance is an idea whose time has come in America.

There has long been a need to assure every American financial access to high quality health care. As medical costs go up, that need grows more pressing.

Now, for the first time, we have not just the need but the will to get this job done. There is widespread support in the Congress and in the Nation for some form of comprehensive health insurance.

Surely if we have the will, 1974 should also be the year that we find the way.

The plan that I am proposing today is, I believe, the very best way. Improvements can be made in it, of course, and the Administration stands ready to work with the Congress, the medical profession, and others in making those changes.

But let us not be led to an extreme program that would place the entire health care system under the dominion of social planners in Washington.

Let us continue to have doctors who work for their patients, not for the Federal Government. Let us build upon the strengths of the medical system we have now, not destroy it.

Indeed, let us act sensibly. And let us

act now—in 1974—to assure all Americans financial access to high quality medical care.

RICHARD NIXON

The White House,
February 6, 1974.

NOTE: On the same day, the White House released a fact sheet and the transcript of a news briefing on the message by Secretary of Health, Education, and Welfare Caspar W. Weinberger.

35 Letter to United States District Court Judge Gerhard A. Gesell About Refusal To Produce Recordings of Presidential Conversations. *February 6, 1974*

Dear Judge Gesell:

I have been advised by Special Counsel to the President of the order issued by you on January 25, 1974, in which you solicited my personal response with reference to five specified taped conversations.

As indicated in the various briefs, pleadings and other papers filed in this proceeding, it is my belief that the issue before this Court constitutes a non-justiciable political question.

Nevertheless, out of respect for this Court, but without in any way departing from my view that the issues presented here are inappropriate for resolution by the Judicial Branch, I have made a determination that the entirety of the five recordings of Presidential conversations described on the subpoena issued by the Senate Select Committee on Presidential Campaign Activities contains privileged communications, the disclosure of which would not be in the national interest.

I am taking this position for two primary reasons. First, the Senate Select Committee has made known its intention to make these materials public. Unlike the secret use of four out of five of these con-

versations before the grand jury, the publication of all of these tapes to the world at large would seriously infringe upon the principle of confidentiality, which is vital to the performance of my Constitutional responsibilities as President.

Second, it is incumbent upon me to be sensitive to the possible adverse effects upon ongoing and forthcoming criminal proceedings should the contents of these subpoenaed conversations be made public at an inappropriate time. The dangers connected with excessive pre-trial publicity are as well-known to this Court as they are to me. Consequently, my Constitutional mandate to see that the laws are faithfully executed requires my prohibiting the disclosure of any of these materials at this time and in this forum.

Sincerely,

RICHARD NIXON

[The Honorable Gerhard A. Gesell, Judge, U.S. District Court for the District of Columbia, Washington, D.C.]

NOTE: For related court documents, see the Weekly Compilation of Presidential Documents (vol. 10, pp. 43 and 505).

36 Message to the Congress Transmitting Annual International Economic Report of the President. *February 7, 1974*

To the Congress of the United States:

Last year, when I submitted my first International Economic Report, the Nation had just concluded its involvement in a lengthy and tragic war. We were thus able to turn greater energies to building a more lasting and secure world peace.

A major part of our peace-building effort lies in resolving international economic problems, and today we can look back upon a year of progress on that front. We have strengthened our competitive position in the world. We have moved ahead toward vitally needed reforms of the world economic structure and we have improved our trade balance beyond our expectations, reflecting our ability to compete more effectively at home and abroad with foreign producers. Our strengthened trade position has in turn contributed significantly to the expansion of jobs and income for our people, and has led to renewed confidence in the dollar in the world's money markets.

One of the greatest challenges facing the international community is to overhaul our world monetary and trading systems. During this past year, I have been heartened by the progress that the Committee of Twenty, under the auspices of the International Monetary Fund, has made toward reforming the international monetary system and by the way that transitional monetary arrangements have proven effective under conditions of stress. Meanwhile, over 100 nations, meeting in Tokyo this past September, opened a new round of international trade nego-

tiations. And the trade legislation we submitted last April has moved through the House for further consideration in the Senate.

Despite this significant progress, 1973 was also a year in which new problems vividly brought home to us the degree to which our own economy is affected by developments elsewhere. This past year the major industrial nations experienced simultaneous boom conditions for the first time since 1951. This complicated economic policymaking, demonstrating that the same interdependence which can contribute so much to world prosperity through trade can also contribute to national problems. One such problem is inflation. While we continue to attack the causes of excessive price increases within the United States, we must also realize that inflation has been a world-wide problem driving up the cost of world-traded goods.

Two new problems also arose in 1973, reminding us of the impact that other economies have upon our own: last summer's food shortages and the current oil crisis. There was an unprecedented and unforeseen surge in international demand for American agricultural products last year. The causes ranged from poor harvests abroad to food policy shifts by foreign governments, affecting their demand for agricultural imports. These significant shifts could not help but have a strong impact upon our domestic economy: on the one hand, expanded sales helped the recovery of our trade balance and helped ensure our position as a reliable world

supplier of agricultural goods; but on the other hand, world-wide shortages caused our food prices to rise significantly. A number of measures have now been taken at home and abroad to help prevent a recurrence of such problems. We have brought land back into production, we have taken every step we can to expand our harvests, and we have established an agricultural export monitoring system. In addition, we have called for a World Food Conference to meet in Rome this year, where the newly developing problems of agricultural supply and demand can be addressed by both producer and consumer nations.

The second major problem—the oil embargo and its accompanying price increases—has given us further evidence of our interdependence with other nations. While our country is relatively less dependent upon foreign supplies for our energy than are most industrial nations, these developments are adversely affecting many sectors of our economy. Again, as we have done with regard to food shortages, we have taken vigorous actions to meet energy shortages. The actions taken by the Executive, the Congress, and especially by the American people have enabled us to make significant progress. The consumption of almost every form of energy has been dramatically reduced. But much more needs to be done in order not only to alleviate the current emergency but also to assure that the United States can develop greater energy resources of its own. This January, I submitted to the Congress my third special message on energy, outlining further needed legislation. I have also invited the foreign ministers of the major oil-consuming nations to Washington this month, initiating cooperative dis-

cussions on these problems. Those who will attend this conference recognize that the large price increases announced late last year can only create hardships for the major industrialized economies and could have a disastrous impact upon the world's poorest nations.

The new problems we face are of such enormity that there may be a temptation to delay further progress toward trade and monetary reform. Nothing could be more foolish. It is particularly important that we move forward in a multinational attempt to reduce trade barriers so that individual nations are not tempted to "go it alone" in seeking solutions. I consider it essential that we continue to construct a consultative framework in which new as well as old issues can be addressed. The current trade and monetary discussions provide such a framework and also allow us to continue our long-term effort to build a more effective world economic order. To make this possible, the Trade Reform Act should be promptly passed without restrictions upon our ability to end trade discrimination against other nations.

The Annual Report of the Council on International Economic Policy provides background and analysis which should be highly useful to the Congress as it considers these complex and important issues.

RICHARD NIXON

The White House,

February 7, 1974.

NOTE: The President's message, together with the Annual Report of the Council on International Economic Policy, is printed in "International Economic Report of the President, Transmitted to the Congress February 1974" (Government Printing Office, 113 pp.).

The President signed the report in a cere-

mony in the Oval Office at the White House. The ceremony was attended by staff members of the Council on International Economic Policy.

On the same day, the White House released

a fact sheet and transcripts of two news briefings on the report. The briefings were held on February 6 and 7 by Peter M. Flanigan, Assistant to the President and Executive Director of the Council on International Economic Policy.

37 Letter to the President of the Senate and the Speaker of the House Transmitting Proposed Appropriation Legislation for the United States Arms Control and Disarmament Agency. *February 7, 1974*

I AM transmitting herewith proposed legislation to extend the appropriation authorization for the Arms Control and Disarmament Agency, along with a letter from the Director of that Agency in support of this legislation.

Major progress has been made toward this Administration's high priority foreign policy and national security objective of establishing effective arms control arrangements. Most importantly, the Strategic Arms Limitation Talks with the Soviet Union have resulted in definitive treaty limitations on strategic defensive systems and an agreement for interim limitations on strategic offensive systems. The continuing Strategic Arms Limitation Talks, accelerated by agreements reached at the June, 1973, Summit Conference, now are focused on achieving definitive treaty limitations on strategic offensive systems. Also of major importance was the initiation last year of negotiations to reduce the military confrontation in Central Europe.

The objective of this Administration to replace the dangers of a continuing unchecked arms race with the greater security afforded by the establishment of reliable controls over armaments has been well served by the Arms Control and Dis-

armament Agency. This has been demonstrated especially by the Agency's key role in the Strategic Arms Limitation Talks and the talks on mutual and balanced force reductions in Central Europe. The work of the Agency in these and other forums is vital to future progress in the difficult area of arms control and disarmament.

The draft legislation I am transmitting today would authorize appropriations for the Arms Control and Disarmament Agency for fiscal years 1975 and 1976. It also amends the Agency's authority to procure the services of experts and consultants so as to make this authority comparable to that prevailing elsewhere in the Executive Branch. This change is necessary for the Agency to continue to attract highly qualified consultants to assist it in its tasks.

I urge the Congress to give this bill prompt and favorable consideration.

Sincerely,

RICHARD NIXON

NOTE: This is the text of identical letters addressed to the Honorable Gerald R. Ford, President of the Senate, and the Honorable Carl Albert, Speaker of the House of Representatives.

38 Message to the Congress Transmitting Annual Report of Activities Under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

February 7, 1974

To the Congress of the United States:

I am transmitting today the third annual report of each Executive department and agency on their activities during fiscal year 1973 under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

In general, the agencies' reports indicate that the Uniform Act has been well received by those displaced by Federal and federally-assisted projects and by the affected communities. The assistance provided by the Uniform Act largely compensates persons for the disruptions and inconveniences resulting from public acquisition. The payments made to persons who relocate have had a generally favorable impact on the public, and the down payment assistance provisions of the Uniform Act have resulted in increased home ownership opportunities for some displaced persons.

The agencies' reports indicate that the primary criticism directed toward the Uniform Act has been expressed on behalf

of displaced small businesses. Agencies are not able to deal with the problems of displaced businesses as successfully as they can deal with those of individuals displaced from their homes. This matter will be reviewed to determine possible solutions.

During the past year, I transferred responsibility for executive branch leadership in the implementation of the Uniform Act to the General Services Administration. The Administrator has recently reported to me concerning accomplishments under this program and has also outlined plans to assure continuation of programs initiated by the Office of Management and Budget and to further improve the administration of the Uniform Act. I endorse these efforts and include his report as an attachment to this transmittal.

RICHARD NIXON

The White House,
February 7, 1974.

39 Memorandum About the Annual Report on Federal Executive Boards. *February 8, 1974*

Memorandum for Heads of Departments and Agencies:

Over the past 12 years Federal Executive Boards have more than proven their worth as locally-based coordinating mechanisms.

The results reported in the attached annual report give further evidence of

the boards' usefulness to Federal agencies and to the citizens of major cities in which they are located.

I am particularly pleased to note the increased involvement of representatives of other levels of government and private groups in the work of the boards. Working together they can generate ideas and

resources to help solve our most vexing problems. I am today asking the Director of the Office of Management and Budget to establish energy conservation as a major theme of FEBs for fiscal year 1974.

Please inform your senior officials in the field of my strong personal interest in

their work as Federal Executive Board members, and urge their continued involvement and support.

RICHARD NIXON

NOTE: The 26-page report was prepared by the Office of Management and Budget.

40 Statement Following Splashdown of Skylab 3. *February 8, 1974*

ON BEHALF of the American people, I salute Skylab's third crew of astronauts on their safe return to Earth.

They have successfully completed man's longest space journey and brought to an end one of the most scientifically productive endeavors in the history of human exploration. From the Skylab program, we have learned that we can live and work in space for long periods of time. And we have found that the results of these efforts can be of enormous practical value to life on Earth.

Skylab now joins the ranks of the *Santa Maria*, the H.M.S. *Beagle*, the *Spirit of*

St. Louis, and the *Eagle*. Each of these great vehicles has carried us beyond the contemporary limits of human knowledge into a new comprehension of our own possibilities and a new definition of our own destiny.

We welcome the men of Skylab home, and we salute them and all their predecessors who have launched us on this great adventure.

NOTE: The statement was radioed to astronauts Lt. Col. Gerald P. Carr, USMC, Lt. Col. William R. Pogue, USAF, and Dr. Edward G. Gibson on board the U.S.S. *New Orleans* in the Pacific at the conclusion of their 84-day mission.

41 Remarks About Negotiations To End Independent Truck Stoppages. *February 9, 1974*

BILL USERY is probably one of the great mediators of our time. He is patient, understanding, fair, and very strong. You see, the thing is, too, that he is able to—I am speaking about Usery—he has the ability not only to negotiate but also in getting this word out to the truckdrivers and their owners and so forth, the independent operators, that they can get a full tank of gas in 80 percent now, getting the word out to them also that a 6 percent

increase in rates is allowed, which means that the cost-price squeeze they are under has been alleviated.

All right, so their legitimate complaints are being met. The point is that this is not like you have no problem, for example, with Fitzsimmons and the Teamsters. He gets the word to 400,000 people, and they pledge, in a peaceful way, with the policies that we have.

Here you have got a bunch of people

not represented, so with all of the problems that we have with organized labor, let me say, as George has often said—and I agree—it is better to have a group that is responsible that you can deal with, no matter how tough they are, than one where you can't have anybody that can make the contract. Isn't that what the lesson to this is?

What I was saying with Usery, Usery also has that rare ability which so many of us lack, politicians have a little more than some of you statesmen, but that rare ability—you know, in the meeting yesterday he said, "Now look, let me take this statement and put it in the language the drivers will understand."

Now, that doesn't talk down to them, but he says there are certain ways you talk. He says, "I know how these fellows react." Rather than using surcharge or passthrough or something like that, they understand a cost-price squeeze. They understand you can get a full tank at 80 percent of the stops—you know, things of that sort.

GEORGE P. SHULTZ [Secretary of the Treasury]. Well, Usery has another char-

acteristic, he can sit there all night long.

THE PRESIDENT. Yes, stamina. He has got as much stamina as Kissinger.

NOTE: The President spoke at 10:35 a.m. in the Oval Office at the White House where he was meeting with Secretary Shultz and other Administration officials to discuss plans for the meeting of oil-consuming nations which was held the following week.

The remarks took place during a portion of the meeting when reporters and photographers were invited to be present.

In his remarks, the President was referring to W. J. Usery, Director of the Federal Mediation and Conciliation Service, and Frank E. Fitzsimmons, general president of the International Brotherhood of Teamsters.

On February 8, 1974, the President met with Mr. Usery, Attorney General William B. Saxbe, Secretary of Transportation Claude S. Brinegar, and Administrator William E. Simon of the Federal Energy Office to discuss measures to alleviate conditions causing the truck stoppages by independent operators. On the same day, the White House released a transcript of their news briefing on the meeting.

An opening statement made by Mr. Simon at a February 5 news briefing and remarks by Deputy Press Secretary Gerald L. Warren on February 7 with regard to the truck stoppages are printed in the Weekly Compilation of Presidential Documents (vol. 10, pp. 177 and 190).

42 Radio Address About Proposed Transportation Legislation. *February 9, 1974*

Good afternoon:

From the earliest days of our history, transportation has played a vital role in the progress of America. Clipper ships, canal boats, toll roads, and railroads fed the American economy, linked communities across our expanding Nation, and joined our Nation with the world. Mass production of the automobile, linked with the most advanced highway system in the world, has made us a nation on wheels.

We have the largest and most diverse transportation system in the world today. As our society shifts and grows and as our economy expands, we must ensure that the effectiveness of this system keeps pace with the changing demands placed upon it. In the past 5 years, we have made great forward strides in this effort.

We have completed major sections of the Interstate Highway System.

The Airport and Airway Development

Act, passed in 1970, has provided significant new Federal financial assistance to our Nation's airports.

We have established a successful program aimed at eliminating air piracy.

We have acted to bring about dramatic reductions in transportation accident and fatality rates.

We have created Amtrak, a new corporation to improve passenger service on the Nation's railways, and last year there was a 14 percent increase in rail passengers.

We have increased Federal aid to urban public transportation to \$1 billion a year—that is eight times the level of 1968—through the Urban Mass Transportation Act.

The Merchant Marine Act of 1970 marked the most comprehensive change in our approach to the problems of the U.S. flag merchant marine in almost 35 years.

Through the Federal-Aid Highway Act of 1973, we are permitting States and localities to use a portion of their Federal highway funds for public transit.

The Regional Rail Reorganization Act of 1973 will permit a needed restructuring of the bankrupt railroads of the Northeast and Midwest into a streamlined, privately owned system.

While we have made encouraging progress, the job is not completed. These are some of the goals ahead:

We have to find ways to use our enormous transportation systems in a more flexible manner. In many cases, for example, these systems, such as our subways and our urban highways, are utilized at maximum capacity for 2 or 3 hours during the day and scarcely at all the remainder of the day.

In the last 10 years, we have become increasingly conscious of the effects of

our transportation systems on our environment. We must now give equal attention to the need for energy conservation as we design and utilize those transportation systems.

And finally, Federal regulation has served to restrict the growth of some of our systems at the expense of others, with the result that we do not have sufficient balance in the choice of transportation available to us.

Our efforts must continue to concentrate on achieving the goals of flexibility in the use of our transportation systems, economy in the use of our energy resources, and balance in the availability of diverse forms of transportation.

To achieve these goals in the areas of urban and rural public transportation, I will send to the Congress next week a unified transportation assistance program. This program would authorize \$16 billion in Federal assistance for metropolitan and rural transportation over the next 6 years. Two-thirds of this amount would be allocated to State and local governments for application in areas where they believe this money can be spent most effectively.

Local officials, who understand your community better than anybody here in Washington, would determine transportation priorities, choosing between construction of highways or public transit systems, or the purchase of buses or rail cars. This would provide for flexibility between capital investments and other expenses.

The unified transportation assistance program will mark the largest Federal commitment ever to the improvement of public transportation in our cities and towns. Its objective is to provide you with diverse forms of public transportation that take into account the need for trans-

portation without environmental damage, without wasted energy, and if possible, without congestion.

Let me turn now from the problem of transportation within our cities to the problem of transportation between our cities.

A healthy rail system is essential to the development of a balanced transportation system.

Nothing has hindered the economic health of our Nation's rail systems more than the outmoded and complex Federal regulations which govern those systems. These regulations have prevented the railroads from maintaining a competitive position with other forms of transportation.

The collapse of the Penn Central Railroad is ample evidence of the wrong-headedness of this approach. While we cannot afford to let our railroads fail, neither can we afford to bail them out every time they get in trouble. Our economy cannot afford it, and our taxpayers will not tolerate it.

If we are to revitalize our railroads, we must shift the focus of our concern from outmoded rules to economic realities. We cannot meet jet-age transportation requirements with horse-and-buggy regulations.

The inability of our railroads to compete with other forms of transportation has seriously affected this vital industry. The railroads often cannot afford to make necessary improvements in tracks, terminals, and equipment. The result has been a steady deterioration of service.

To modernize and revitalize our system of rail transportation, I will submit to the Congress next week the Transportation Improvement Act of 1974. This

act is aimed at restoring this Nation's railroads to their proper place in the national transportation system.

The proposal would authorize \$2 billion in Federal loan guarantees to help railroads invest in their tracks, their terminals, and their equipment. These loan guarantees are not a signal that we intend to provide public handouts to our railroads. They are, on the contrary, intended to restore the railroads to a position in which they can once again compete economically with other methods of transportation and, thereby, support themselves without Federal assistance.

But this cannot happen until we adjust the Federal regulations which created the problem in the first place. Therefore, the transportation improvement act would significantly overhaul Federal regulations governing rail freight carriers. In addition, it would eliminate the practice of discrimination through taxation which has further contributed to the economic problems of our railroads.

One of the most significant moments in our history occurred in 1869 when the Union Pacific Railroad, building west from Omaha, met the Central Pacific, building east from Sacramento. The joining of our Nation in this manner opened a whole new era of economic growth for America. Today our railroads are more necessary than ever. They make extremely efficient use of fuel with little negative effect on the environment, and they deliver nearly 35 percent of the Nation's freight at low cost. The essential tracks are there, the system that crisscrosses the country with a web of steel rails is in place. Now we must make it work again.

As we act to improve our urban and

rural transportation and to restore our national rail system, we must not neglect those parts of our national transportation systems that have proved successful.

And chief among these is our highway system, which is among the very best in the world.

Today, the Interstate Highway System stretches from the Atlantic to the Pacific. By the early 1980's, when completed, this system will carry over 20 percent of all highway traffic.

Our programs for highway safety are continually being improved, and funding for State and community highway safety programs will be increased both to encourage State enactment of mandatory seatbelt legislation and to get the drunk driver off the road.

In air transportation, we have provided \$1.5 billion in Federal assistance to airports since 1970 to expand and modernize their service. Our civil aviation security program has been an unqualified success, and today the American air traveler can board his plane more secure in the knowledge that he will reach his destination free from the threat of hijacking. This program will be continued, and it will be strengthened.

Meanwhile, the Coast Guard will be giving increased attention to the safety and environmental protection of our rivers and our harbors and seacoasts.

We will also continue our programs to rejuvenate America's maritime fleet.

The Merchant Marine Act of 1970 marked the most comprehensive change in our approach to the problems of the U.S. flag merchant marine in 40 years. We have challenged our ship construction industries to rebuild our fleet at reasonable expense and our ship operating industry to move toward less dependence

on subsidy. At the same time, we will continue to provide all essential support to make this transition possible. These efforts to date have resulted in private orders for ships reaching a record high of \$2.4 billion, while ship construction subsidy rates have dropped to their lowest rate in history.

Today, more than ever, the quality of American life and the growth of our economy is dependent upon our ability to move people and goods rapidly, safely, comfortably, and efficiently.

The programs that I have outlined for you this afternoon are designed to ensure that America's transportation system keeps pace with our needs.

Finally, this afternoon, let me add just a few words about the work stoppage by independent truckers which has attracted so much attention during the past week.

We should recognize that truckers have faced special hardships arising from the energy crisis. Some have been unable to obtain sufficient fuel supplies to operate on a continuing basis. And many have been caught in an economic squeeze because of the costs of their fuel, which have been rising sharply, but the rates which they could charge to their customers were frozen.

Your Government has now acted to provide relief for the truckers, which redress their legitimate concerns. We are making more diesel fuel available to them, assuring that we will take every possible step so that their supplies will be equal to 100 percent of their needs. And with the help of the Congress, we have also pushed through a new law which permits the truckers to recover their increased fuel costs immediately. [Public Law 93-249, approved February 8.]

The events of these past few days have

shown once again that when industry or any segment of the American economy has acute problems because of the energy crisis, the Federal Government will act promptly to find a responsible and just solution. This will continue to be our policy in the future.

But in no instance will we tolerate violence from those with grievances. Those who willfully break the law can expect no sympathy from those who enforce the law. We intend to enforce the Federal laws, and we will give State and local officials the assistance they need to enforce their laws.

It is important to emphasize that during the recent stoppage, despite the threats of violence from a handful of desperadoes, at least 80 percent of the Nation's truckers, to their very great credit, stayed on the job. I want to commend those truckers and all of their leaders, such as Frank Fitzsimmons, who heads the country's

largest single union, the Teamsters, for their responsible actions during this period.

At the urging of several leaders of the independent truckers, who recognize that the actions taken by the Government are just and are reasonable, many of the trucks are already back in operation, and our highways are generally free from violence.

And now it is time to get all the trucks back on the road.

The trucking industry plays a critical role in our economy, and it is essential that the truckers continue to provide food, fuel, and other supplies to all Americans.

Thank you and good afternoon.

NOTE: The President spoke at 3:07 p.m. from a room adjoining the Oval Office at the White House. His remarks were broadcast live on nationwide radio.

An advance text of his address was released on the same day.

43 Remarks at a Working Dinner of the Washington Energy Conference. *February 11, 1974*

*Gentlemen and Miss Ray:*¹

It is for all of us in this house a very great honor to have such a distinguished company on this occasion.

And as I welcome the foreign ministers of the 12 nations that are represented at this conference, as well as the finance ministers and other ministers of economic affairs, I want you to know that we are privileged to have you here again. Most of you have been here before when either the heads of government or heads of state have visited the United States.

In speaking to you today, I am not going to get into some of the technical matters that I understand have been covered at rather considerable length in your discussions earlier in the day.

I thought that perhaps it would be more useful for this distinguished company if I were to speak to you not simply in terms of the energy problem, which very properly has been the subject of primary discussion, but to put that problem in a larger context of the world in which we live and the other problems which we face to which that, of course, is very, very closely related.

I think everybody in this room is aware of the fact that we are here at what I

¹ Dixy Lee Ray was Chairman of the Atomic Energy Commission.

would call a watershed of world history. We are here at a time when we have seen the conclusion of a very long and difficult war in which the United States was involved in Vietnam, a time when we have seen the beginnings toward movement toward what we hope would be not just a temporary but a permanent peace in the Mideast.

Also, over the past few years during the time that I have been in this office and during the time that most of you have been in the offices you hold, we have seen the whole world change. Not only the United States but other free world nations have opened a new dialog with the Soviet Union and with the People's Republic of China.

We have also seen that at the present time, as a result of that dialog, negotiations are taking place that no one would have predicted 3 or 4 years ago—negotiations with regard to the reduction of forces in Europe, negotiations insofar as the European Security Conference is concerned, negotiations which are taking place between the United States and the Soviet Union in the field of limiting nuclear arms.

When we look at this record and of all of the events that have come together before this day on which we meet, we realize that the world now faces an unprecedented challenge.

That has probably been said before at other times in the world's history, but probably it has never been so true, certainly not so true since World War II than today. And that challenge is to build a world of peace, not simply a peace that is an interlude between wars but a peace that has a chance to be permanent.

I would not suggest to this sophisticated group that building that peace and keep-

ing that peace will be easy. We all know the complex situation in the Middle East, and all of us will be working toward a solution that will be permanent and just and fair to all concerned. We all know that in the relations between the great powers and the smaller powers, between what is known as the Communist world and the free world, that one must never assume that simply because negotiations are taking place that confrontation may not later occur.

On the other hand, I think that we can say that because we are living in an era of negotiation rather than confrontation where the free world and the Communist world is concerned, because we have seen the end of those wars—small though they were, but very painful they also were, which plagued us for the past generation—although that has happened, we realize that in order to build the peace and to keep it, that it is essential that we maintain the strength and the unity that brought us where we are.

Having spoken in that particular area, the area of security, let me now relate it to the other areas with which this conference is more closely identified, the area of economics or, should I say, of the whole field of not only how do we have peace in the terms of simply absence of war, but how do we have peace in which we build an era of progress for all of our people, the people of the free nations and, for that matter, of the Communist nations of the world.

It is this challenge that confronts us today.

I would like to speak quite directly to this audience with regard to what I see in the world and what I see in the United States as we face this challenge.

We must examine what is a truism, I

would say, in virtually every country represented here today. There are people, very well-intentioned people, but people who, I think, are erroneous with regard to their views, who in each of our countries would take the point of view that now that we have peace, the time has come for—they would not call it isolationism—but basically for each country to look after its own interest.

There are those who say that at the time when we needed the mutual security which built the great alliances in the past no longer exists or at least not to the same extent.

I would be less than candid if I were not to say that within the United States there has been growing in recent years—and perhaps it has been accelerated to a certain extent by our very difficult experience in Vietnam—a growing sense of isolationism, not just about security—those, for example, who believe that the United States unilaterally should withdraw forces from Europe and, for that matter, withdraw its forces from all over the world and make our treaty commitments to other nations in the Far East and in Europe meaningless—but also with regard to trade where those who completely oppose the initiatives we have undertaken in the trade area and who oppose even some of the initiatives in the international monetary area that you are all familiar with.

I think the ladies and gentlemen in this room are aware of the fact that this Administration—and I would like to point out that I believe that the view I now express goes far beyond simply a partisan viewpoint, because there are many Democrats as well as Republicans who support the point of view that I will now

express—reject the idea that the United States should now listen to the voices of isolation which plagued us before World War II and which always seems to rise to a new crescendo after each war in which we were engaged.

We reject it, for example, in the field of trade. We believe that it is vitally important to go forward with the great trade initiatives that have been undertaken, as Secretary Shultz has often stated in his meetings with his counterparts represented here at this meeting.

We believe it is vitally important in the field of monetary affairs that the United States play a responsible role with other nations in the free world in developing a more stable system, one that will not be affected by the shocks that have so often, over the past 10 years, shaken the world monetary institutions to their very foundations.

We also believe this in the terms of security, as I have already indicated, where we oppose the idea that the United States, because we have entered into a period of peace which we long wanted, now can reduce its forces unilaterally without having a compensatory reduction among others or where the United States will turn away from the treaty commitments that it has, whether it is in Europe or in Asia.

Let me now relate this particular discussion in the field of security, in the field of trade, in the field of monetary affairs to the subject of energy.

Here, I think it is understandable that leaders, and those who affect leaders in each of the countries that we represent, might well take the point of view that each nation for its own reasons should, in effect, go into business for itself, that

each nation should seek to make a bilateral agreement with the oil-producing nations, even though that bilateral agreement might not be one which would be in the interests of all of the nations—and 85 percent of all of the oil consumed is represented here in this room, the oil consumed in the free world.

This point of view which, of course, I would describe as isolation in the energy field is one that perhaps has some currency in some of your countries; it also has some in ours.

I note that some have interpreted this Administration's initiative for Project Independence—in which we have set the year 1980 as the year in which we, because we are blessed by great natural resources, can and will become totally independent, we believe, of any outside source for energy—that that in itself is an indication that the United States in the energy field will go into business for itself, that we will reject the idea of being not only dependent on any foreign sources but of working with other governments, including the governments in this room and, for that matter, of working with those nations which presently furnish oil exports to us and to other nations in the years ahead.

The purpose of our Project Independence, let me emphasize, is not isolation. The purpose is for this Nation, the United States, to do what any one of you would do if you were in our position, to develop your own resources so that you can be self-sufficient.

But our purpose, beyond that, is not then to turn away from a position of trading with other nations, of not engaging with other nations in the development of their resources and trading our re-

sources when it serves our interest. What we desire is a world in which there will be trade between nations and among them, a world in which there will be enough energy for all the people of the world. The United States can play a significant role in that respect.

And what we learn and what we develop in our efforts toward Project Independence, I can assure you, will be not only for our own benefit but, we would hope, for the benefit of all peoples in the world who wish to share in whatever those particular enterprises may produce.

I would say, too, in this whole area, that in a group like this, it is well to gloss over all the differences, but we recognize that each of us has a responsibility—and I recognize this particularly—to look after the interests of his own country.

We respect you for it, we understand it, but I would respectfully submit that in the present world situation when we look at energy that these conclusions could well be drawn.

I go back to security. We can have no real security in the world unless we are all secure and unless we all cooperate. In the field of trade we cannot have a new trading system in which we will all benefit, where each tries to gain at the expense of others. Each, of course, must bargain hard. But the world is only going to be one in which we have a trading pattern which will be for the benefit of all if we have mutual benefit on both sides.

The same is true of what negotiations we may engage in, in terms of monetary affairs and, I would suggest to you also, in the field of energy.

Short-term, the parochial politician might say, "Make the best deal you can," and there are those who suggest that for

us and, I know, for some of the countries represented here. That is good short-term politics.

To me it is, long-term, very bad statesmanship, and I say it for this reason: that if the energy-consuming nations, each of them, rather than working together, not as a combine at the expense of the oil-producing nations—because it is in their interest as well that we meet in order to develop a common policy that will assure a stable supply at a price that will be reasonable for them and reasonable for us—but I would suggest that where we do follow that kind of a policy, it is possibly good short-term politics, but disastrous long-term statesmanship for this reason, because if each of the nations in effect goes off on its own or, as I have put it, goes into business for himself, the inevitable effect will be this: It will drive the prices of energy up, it will drive our economies down, and it will drive all of us apart.

That is not in the interest of, certainly, the United States, and I would respectfully suggest it is not in the interest of the nations of the free world represented at this very distinguished gathering tonight.

I would simply conclude with this thought. Sometimes it is thought that the United States, because we are in a position of rather considerable military power and economic strength, tends to throw its weight around. We do not intend to do that.

What we do want to do, as I have already indicated, is to build in the field of security, on that great base which brought us where we are, the beginning of what we think can be an era of permanent peace in the world.

And what we want to do, however, is that having achieved peace in the sense of

the absence of war, we will not follow a generation plagued with wars with a generation plagued with economic warfare.

I would be less than candid also if I were not to say that competition among free peoples is inevitable, and it is desirable. We welcome it. You welcome it.

But I am simply suggesting that this conference, in which there has been a spirited discussion, as it should be, in which there has been consideration of our mutual interest, as there should be, I believe that the, let me put it, the “enlightened selfish interest” of each nation here is better served by cooperation in security, by cooperation in trade, and by cooperation in developing our sources of energy and in acquiring the energy we need to keep the great industrial complex of the free world moving ahead to ever and ever higher plateaus.

And so, gentlemen, all of our distinguished guests tonight, I want to thank you for the work that you have done in coming to this conference.

As Mr. Sharp pointed out, it was called perhaps on rather short notice, and yet, the problem was one that required immediate attention. I thank you for coming. I urge you to continue the deliberations that you are already engaged in, looking toward a goal greater than who is going to make the best deal next month, next year, on his energy, but looking at the problem in terms of the common goal we all have of building a structure of peace in the world that will last.

Security and economic considerations are inevitably linked, and energy cannot be separated from either. And it is for that reason that when we talk about developing policies in the energy field that we are talking about one of the fundamental pillars in that structure of peace

that we all want to build, a structure that will last, we trust, many generations after all of us are here.

Tonight, of course, it is always the custom to propose a toast to someone in the audience. And my difficulty is that here at this, what is supposed to be a head table, are the ranking guests, all of whom are foreign ministers.

And as I looked over the guest list, I was trying to think which of the foreign ministers should receive the toast. We have at least two foreign ministers here who have been former prime ministers, so they might rate. However, we have one who is especially distinguished. And I was thinking, as a matter of fact, before I found that we could get the Army Chorus free, that we might call on Mr. Scheel to perform, but having sold 400,000 records, his price was simply too high—we could not afford him tonight.² [Laughter]

But then as I looked over the list of foreign ministers I found that, distinguished as their past careers were and as their futures may be, there is only one of the foreign ministers tonight here who is also a president.

And so, in proposing a toast to all of you, and that is what I intend to do, I propose that we raise our glasses to President Scheel.

President Scheel.

NOTE: The President spoke at 9:17 p.m. in the State Dining Room at the White House.

In his remarks, the President referred to Mitchell Sharp who was Canadian Secretary of State for External Affairs.

Foreign Minister Scheel, in his capacity as President of the Council of Ministers of the

European Communities, responded to the President's remarks as follows:

Mr. President:

When I left the office last Saturday to come here, the doorman at our Foreign Office asked me, "Where are you going this time?"

I said, "To Washington. We will be discussing energy."

The doorman replied, "Oh, preventing the world from being blown into pieces."

Apparently the man had heard something about atomic energy and thought our conference would be dealing with a bomb. He was not entirely wrong. [Laughter]

So, our subject is not the bomb, but who would deny that there was some explosive force in our conference, too. Energy is a challenge to all of us, but at the same time, it offers an opportunity. Who would say that our governments and our societies had foreseen all the difficulties, had initiated the necessary steps in good time, had not been taken by surprise?

Energy is the driving force of our lives, and yet, haven't we behaved for years as if we got it for practically nothing? Did we not all think that substitutes would have been found by the time the oil resources were completely exhausted and that until then, until the turn of the century, there would be ample time?

We all live in a society of affluence with all its waste and extravagance. Only when we were confronted with sudden political developments did we become alive to the real situation. These events make us aware of the implications of problems with which we had been living all along without realizing them.

We should indeed be grateful for this, since without that experience we might have been aroused too late. By that time, the energy sources would have been largely exhausted.

But now it is still possible for us to cope with the problem by means of prices, the market, and cooperation among governments. Now we can still make arrangements to strengthen the basic elements of world trade and to avoid its disruption and a relapse into a *sacro egoismo*.

This is our opportunity. If the conference initiates joint efforts on the part of the industrialized, the oil-producing, and the developing countries, we will have taken a first step in the right direction, but only a first step, no more.

² In December of 1973, Walter Scheel, Foreign Minister of the Federal Republic of Germany, recorded a folk song for the benefit of several charitable organizations in Germany.

We cannot yet expect solutions. The time is too short for this, and we are not yet sufficiently aware of the community of our interests. The problems are varied. The degree of dependence differs from one industrialized country to the other. It was a good thing, therefore, that the least dependent country, the United States, has taken the initiative to convene the present conference.

The question of the right price will continue to occupy us for quite some time. There can be no dispute that before the outbreak of the crisis the price of crude oil was too low in view of the existing market situation. As early as the late sixties, the crude oil market had changed from a buyer's to a seller's market without this having had any effect on prices, but there is no doubt that the prices demanded now are too high.

In the medium and long term, they would have adverse effects on the oil-producing countries, too. It will be essential for producers and consumers jointly to find the price that assures the long-term competitiveness of oil as compared with other energy sources.

This question cannot be considered among industrialized countries alone. The result would be bound to arouse the suspicion of the producing countries.

At long last, producers and consumers will have to get together to develop a joint basic concept.

And finally, let us not forget the economic and the monetary consequences of the present international emergency situation. It is not

only the industrialized countries that suffer from them. Many developing countries which do not have oil resources of their own are also affected, in that an unbearable burden is imposed on their already unfavorable foreign exchange balance.

This gives rise to great complexities. The disorder in the international monetary system, the frequent change of parities were one of the causes for the upward movement of oil prices. We now have to make a point of avoiding that the price changes on their part do not make the international monetary structure disintegrate altogether.

Our governments are now called upon to act jointly. The prosperity of our nations is based on the orderly development of international trade. Its disruption would be to nobody's interest. It would benefit neither energy producers nor the producers of raw materials in general. Nor would it be to the advantage of either developing or industrialized countries.

This again confirms the truth of the words of John Donne, "No man is an island, entire of itself." It is now essential for us that we stand the test. We all must bear social responsibility, social responsibility in the widest sense of the word, towards the community of nations and towards our own citizens.

I raise my glass and drink to the health of our host, the President of the United States, and to the well-being of the American people, to that of the countries' representatives at the conference, and to the success of our joint efforts.

44 Remarks at a Ceremony Commemorating the Birth of Abraham Lincoln. *February 12, 1974*

All of the distinguished guests on the platform, and ladies and gentlemen and our guests who are listening on radio and television:

As I was reading about the Lincoln Memorial before coming down here this morning, I found that of all of the great historical sights in the Washington area, the Lincoln Memorial is visited more often than any other by far.

As a matter of fact, I have learned, I will say to Mr. Walker of the Park Service, that the Memorial has been visited so often and has received so much wear and tear that it perhaps is going to have to have some substantial work done to build it back up so that it can take all the traffic.

The question that I would like to address briefly this morning on Lincoln's

birthday is why, why is Lincoln, of all the American Presidents, more revered, not only in America but in the world?

There are several reasons that come to mind. He freed the slaves. He saved the Union. He died of an assassin's bullet just at the height of his career, at the end of the War Between the States.

And then there are other factors which come to mind: the Lincoln character which has been described in so many, many hundreds of books—much better than I can describe it in a few words—the humility, the humor, the feeling and kindness for people, but perhaps more than anything else the strength, the poise under pressure.

When we examine the American Presidents, it is quite clear that no President in history has been more vilified or was more vilified during the time he was President than Lincoln.

Those who knew him, his secretaries, have written that he was very deeply hurt by what was said about him and drawn about him. But on the other hand, Lincoln had that great strength of character never to display it, always to stand tall and strong and firm no matter how harsh or unfair the criticism might be.

These elements of greatness, of course, inspire us all today. The particular factor that I would like to address, however, is one that Mr. Whitaker has alluded to in his gracious introduction. It has to do with Lincoln's vision about America's role in the world.

What we sometimes forget is that Abraham Lincoln was a world statesman at the time that America was not a world power. Here on these walls are inscribed many of his very famous sayings. One from the second Inaugural comes to mind

when Lincoln said: to do all that we may to achieve and to cherish a just and lasting peace among ourselves and between all nations.

This is Lincoln 110 years ago when America, torn by civil strife, and when America, even after it was united, with both North and South working together to build a greater country, could not and would not even play a great role in the world for years and years to come. And yet Lincoln, with that mystical sense of destiny and vision, saw it all ahead when he said, "Ours is earth's last, best hope."

And now we come to today, 110 years later. Even Lincoln would have marveled if he were living today. This Nation now, the strongest nation in the world, the richest nation by far in the world, and a nation greatly respected all over the world—and the question he would have asked, as we must ask ourselves, is, how will history look back on our time? What did we do with our strength? What did we do with our wealth? Did we use it only for ourselves, or did we recognize, as Lincoln recognized, that we had a destiny far beyond this great Nation, looking out over the whole wide world?

These thoughts come to mind that Lincoln might well have advised us: one, that in this period of time that America was never petulant simply because we do not get our way in the world councils every time, that America did not bully weaker nations simply because we were stronger, that America always used its strength—certainly in this century at least—used its strength to defend freedom and never to destroy it, to keep the peace and to defend the peace and never to break it.

I think Lincoln also would have had

this admonition to his fellow Americans on such an occasion as this in this particular period of our history. He would have hoped that America, with its strength and its wealth, would not turn away from greatness despite the fact that some other nations in the world turn inward, failing to assume their responsibilities for building a peaceful world.

Lincoln would have said a great nation, a strong nation, a rich nation, and a great people will use their strength and their wealth to build a world in which peace and freedom can survive for themselves and for others as well. This, I think, is the Lincoln heritage for today. It is the Lincoln admonition for tomorrow and, I would trust, for the next generation and perhaps for the next century.

I do not suggest all of this in any sense that America wants to dominate any other country, because we do not. I do not suggest this because America wants strength simply because of the jingoistic idea that we must be number one. That is not the reason.

I do suggest it because I know, as

Lincoln would have known, that in today's world, without America and its strength and its will and its respect and its determination, peace and freedom will not survive in the world. What a great challenge for a great people.

I conclude simply by paraphrasing what Lincoln said so many years ago so much more eloquently: We could meanly lose what is mankind's last best hope for peace and freedom, but we could also nobly save it.

Abraham Lincoln, who saved the Union, would say to us today: Let this great Union—North, South, East, and West—now save the cause of peace and freedom for the whole world.

Thank you.

NOTE: The President spoke at 12:31 p.m. at the Lincoln Memorial. Following his remarks, he participated in a wreath-laying ceremony marking the 165th anniversary of Abraham Lincoln's birth.

In his remarks, the President referred to Ronald H. Walker, Director of the National Park Service, and John C. Whitaker, Under Secretary of the Interior.

45 Special Message to the Congress Proposing Transportation Legislation. *February 13, 1974*

To the Congress of the United States:

From the earliest days, ours has been a diverse and mobile society. Americans are constantly in motion. For much of our early existence, the history of America was in great part the history of the constant push westward, with the related development of our canals, our highways, and our railroads. And as we developed our internal transportation system, we also pushed out across the seas in our sailing

ships, our steamboats, and later in our tankers and freighters and airplanes.

One of the foundations of our free society is our highly developed system of commerce. And that system of commerce is based on our diverse system of transportation. Transportation accounts for much of the progress we have made as a nation in 200 short years. We have developed sophisticated and effective ways to move goods and produce, and we have devel-

oped varied systems for moving people.

Recently, however, the energy crisis has underscored an important lesson: our system of national transportation is not working at maximum efficiency.

It is time to take another hard look at the overall structure of our national transportation system. It is time to improve on existing systems and to develop new ones designed to serve individual needs in individual communities. It is time for innovation and diversity.

As our society grows and our economy continues to expand, we must ensure that the efficiency of this system keeps stride with the changing demands placed on it. Our efforts must center on achieving the goals of *flexibility* in the use of our transportation system, *economy* in the use of our energy resources, and *balance* in the availability of diverse forms of transportation.

—Let us develop an outstanding system of public transportation within and between our cities and towns and rural areas, a system sufficiently flexible to serve the needs of diverse individuals in diverse communities.

—Let us revitalize our railroads so that once again they will be a healthy alternative form of transportation, moving people and freight efficiently and competitively.

—Let us complete the magnificent Interstate Highway System that provides a model for the world.

—Let us maintain our worldwide supremacy in air commerce.

—Let us continue to rejuvenate our maritime fleet so that it once again competes effectively on the world's seas.

—Let us press ahead with our safety programs in the air and on the highways,

so that every American can travel free from fear of the drunk driver and the hijacker.

—In short, let us ensure that in the third century of our Nation's existence, our total system of transportation fulfills the promise of our first two centuries.

I. RECENT PROGRESS

Over the past five years, the Federal Government has laid considerable groundwork for a transportation network which can meet the challenges of America's third century. In addition to moving ahead effectively with programs already in existence, we have proposed, and the Congress has enacted, landmark legislation to expand capacity, to ensure safety, and to minimize the adverse impact on the environment of our transportation systems.

One of our highest priorities has been to help our cities reduce transportation pollution, energy consumption and congestion. Under the Urban Mass Transportation Assistance Act of 1970, Federal financial assistance to urban public transportation has grown from \$125 million in 1968 to \$1 billion this year. And for the first time, under the provisions of the Federal-Aid Highway Act of 1973, States and localities can now use a portion of their Federal highway funds for public transit purposes.

This assistance has already saved or improved public transportation in more than 150 cities. The annual decline in total transit ridership in the United States has stopped, and for the first time since World War II, the trend is moving upwards.

Five years ago, the steady decline of rail passenger service throughout the country threatened the Nation with the possibility

that we might soon lose the alternative of traveling by train. With the enactment of the Rail Passenger Service Act of 1970, that threat was largely erased. AMTRAK, a private corporation created by the 1970 act, has preserved quality passenger service and reversed steadily declining passenger trends. Over the past year, the number of passengers carried has increased by 14 percent.

During the past year we were also faced with a major rail crisis in the Northeast and Midwest. I proposed and the Congress enacted the Regional Rail Reorganization Act of 1973, which provides for the restructuring of eight bankrupt railroads into a new streamlined system. Within the next several years, we expect that this new system will be able to operate profitably and can survive as a producer, not a consumer, of tax revenues.

In the water transportation area, the enactment of the Merchant Marine Act of 1970 marked the most comprehensive change in our approach to the problems of the U.S. flag merchant marine in nearly four decades. We have challenged our ship construction industries to rebuild our fleet at reasonable expense and our ship operating industry to move toward less dependence on subsidy. At the same time, we will continue to provide all essential support to make such a significant transition possible. The results of these efforts are becoming increasingly apparent, with private orders for ships at a record high of \$2.4 billion and ship construction subsidy rates at the lowest level in history. Some ships are being built for the foreign trades without direct subsidy, and modern ships which will operate without direct subsidy are now under construction. Comparison of recent trends be-

tween our shipyards and those of foreign countries indicates a long-range possibility that we will be able to compete successfully in the world's ship construction market.

Another of our major concerns has been to protect the safety of the traveling public and the Nation's commerce. We have taken resolute and firm action to protect our air passengers from the threat of the hijacker.

The highway safety picture has both encouraging and discouraging aspects. While we have made steady progress in reducing the fatality rate, the total number of deaths has increased. Although the new mandatory 55 miles per hour speed limit seems to have resulted in a somewhat lower rate thus far this year, the problem of highway safety remains one of the toughest we face.

Our comprehensive highway safety program has encouraged the production of safer motor vehicles, eliminated many hazardous areas on the Nation's highways, and sought new ways to improve driver performance. In the next fiscal year, funding for State and community highway safety programs will be increased to \$148 million. Half of this increase will be earmarked for a program authorized by the 1973 Highway Act which allows special incentive grants to States which pass mandatory seat belt laws. And continued emphasis will be placed on keeping the drunk driver off the road. In addition, I have proposed in my fiscal year 1975 budget, a \$250 million highway safety construction program. This will, for example, help eliminate dangerous obstacles on our highways.

Finally, I would note that over 35,000 miles of interstate highways are now

open—an increase of about 8,000 miles since 1968. By the early 1980's, when completed, this system will carry more than 20 percent of all highway traffic.

II. NEW DIRECTIONS

To continue the forward progress of recent years, I propose that we take new actions in 1974 on two major legislative fronts: public transportation and Federal rail regulations. I am submitting proposals to the Congress in both of these areas. They are designed to increase the flexibility of our Federal transportation programs, to allow State and local officials more latitude in the way they spend Federal transportation dollars and to modernize Federal regulation of the railroads.

1. UNIFIED TRANSPORTATION ASSISTANCE PROGRAM (UTAP)

It has long been apparent that dramatic improvements were needed in our public transportation systems. Now the energy crisis has given new urgency to that need.

Currently most of the Federal funds available for public transportation are provided under the Urban Mass Transportation Act. While this program has enabled us to make a substantial improvement in our urban transportation systems, it can be improved in several important respects. First, it is administered on a project-by-project basis, requiring extensive Federal involvement in reviewing these projects. Priorities have been determined in Washington, not back home where it counts. In addition, communities are unable to predict how much money they will receive from one year to the next. Finally, local communities

are restricted in the ways they can spend the money.

By reforming the Federal highway aid program in 1973 to permit some of its funds to be used for public transportation, we took an important step toward increasing the financial resources available to large cities.

As we look to the future, it is apparent that we must further broaden our programs of public transportation assistance, providing more funds and giving greater flexibility to those who spend the money. Our public transportation system itself must be diversified and strengthened. We need not only more physical assets, such as buses, but also sufficient financial support to assure that our buses, trains, and other public conveyances can be operated with greater frequency and reliability and comfort for our communities in both urban and rural areas.

We have also too long taken the transportation systems of rural America for granted. Often, the social and economic needs of our rural citizens are left unfulfilled because of the lack of good public transportation. Expanded public transportation will be a key element in our program to assist rural community development.

To reach these goals, I am submitting to the Congress today legislation to create a Unified Transportation Assistance Program. This program would provide \$15.9 billion to urbanized areas over a six-year period and \$3.4 billion for small urban and rural areas through fiscal year 1977. This act would mark the largest single commitment by the Federal Government to metropolitan and rural transportation in our history.

This legislation would make several

critical improvements over current programs:

—It would permit recipients of funds—State and local communities—to determine their own transportation priorities.

—The recipients could spend the money not only on capital improvements, such as new buses, new rail cars, new rapid transit systems, and non-interstate highways, but also on other transit needs. Broadening the law in this way would permit local tradeoffs between capital investments and costs to improve services. I believe this is the most effective way for the Federal Government to provide transit assistance, and I will continue my strong opposition to any legislation which establishes a new categorical program solely for local operating assistance. Such a program would unnecessarily inject the Federal Government into decisions which can be far better made by State and local governments.

—UTAP also would allocate over two-thirds of metropolitan funds on a population-based formula so that our cities would receive an assured flow of transportation assistance. We are aware of the concerns voiced by some that our proposed formula should be altered to meet the unique problems of some of our largest cities. We intend to work closely with the Congress, elected officials and others, in examining alternative formulas.

—Finally, UTAP would also provide additional, more flexible assistance for public transportation systems in smaller urban and rural areas. Most of these funds would probably be used by the localities for improving the service and safety on main highways and roads. Funds would also be available for public transportation equipment and demonstrations in smaller urban and rural areas.

Enactment of the Unified Transportation Assistance Program would augment my budget for fiscal year 1975, which already calls for an increase of 50 percent in spending for transit capital improvements under existing programs.

2. TRANSPORTATION IMPROVEMENT ACT (TIA)

The problem of transporting freight between our communities is as crucial as transporting people within them.

Our railroads, once the pride of the Nation, have been gradually deteriorating. Frequently, the blame is placed upon poor management and rigid labor contracts, but a more fundamental cause lies with our outmoded complex system of Government regulations which govern the railroads. These regulations were drawn up early in the century to protect the public from monopolistic practices by the railroads and to protect the companies within the industry from each other. Over time, however, industry has increasingly given up its managerial powers to the Government, while the rules applied by the Government have become inflexible and inefficient.

This inflexibility is most evident in the rate-making process where it prevents rail managers from managing their affairs effectively and competitively. The low earnings of our railroads are directly linked to this rate-making inflexibility.

The current system of regulations is also harmful to the railroads because it prevents them from abandoning lines that have become unprofitable. In 1971 the Interstate Commerce Commission required the railroads to maintain service on 21,000 miles—about 10 percent of the total—of lightly traveled track for which

revenues were less than operating costs. To make up the difference, the railroads have sought to charge higher rates on other, more profitable lines. Economic distortions have been inevitable, so that today we often have railroads carrying freight on short runs even though trucks would be more efficient, while trucks carry freight on some of the longer hauls even though the railroads would be more efficient.

The inability to compete in a more open market has seriously affected the railroad industry. Often railroads cannot afford to make necessary improvements in tracks, terminals and equipment, and their service has steadily declined.

Within recent years the Federal Government has been forced to rescue the Penn Central railroad from collapse and, through the Regional Rail Reorganization Act of 1973, to save seven other railroads of the Midwest and Northeast from undergoing liquidation. While we cannot afford to let railroads like the Penn Central fail, neither can we afford to bail them out every time they get in trouble. Our economy cannot afford it, and our taxpayers will not tolerate it. If we are to revitalize this industry we must instead find a modern approach to Federal regulation of railroads.

To serve that purpose, I am today submitting to the Congress the Transportation Improvement Act of 1974, a bill aimed at restoring this Nation's railroads to their proper place in the national transportation system.

This new legislation would substantially overhaul the Interstate Commerce Act to permit liberalized railroad abandonment in cases where rail service is continually shown to be uneconomic. State and local governments, as well as private

interest parties, would have the opportunity to provide an operating subsidy to a railroad for the continuation of such uneconomical service or to arrange outright purchase of the right of way if that is their desire. Furthermore, substitute service by land or water carrier would be required prior to abandonment.

Beyond this liberalization in abandonment policies, the bill would provide improvements in the rate-making procedures and would abolish discriminatory State and local taxation of interstate rail carriers. If rail managers are truly to direct their own affairs, the ability to raise or lower rates without engaging in a protracted and complex rate-making process is essential.

The Transportation Improvement Act would also provide significant financial assistance to the railroads for long-term improvements. Some \$2 billion in Federal loan guarantees would be provided to finance improvements in rights of way, terminals, and other operational facilities and systems and rolling stock where needed. In addition, \$35 million would be available for a research effort to improve freight car utilization through design of a national rolling stock schedule and control system.

The thrust of this entire legislation is to revitalize and modernize freight rail service throughout the country and to provide an economic regulatory environment which would permit the sort of efficient and economical service that can only result from fair competition, free from burdensome and unnecessary regulation.

I recognize that this bill would not solve several basic problems that confront our railways. In the future, substantial investments will be needed in better

transportation technology, in improvements and diversification of types of freight service, and in rehabilitation of deteriorating physical facilities. *Before* such investments are made, we must also complete a comprehensive evaluation of the regulatory and institutional structure of both the railways and of the rest of the surface transportation industry. The Department of Transportation and others within the Federal Government will be conducting such an evaluation in the coming months. In the meantime, however, the Transportation Improvement Act can serve as a vehicle for making important improvements in the condition of the railroads, and I urge its enactment during this session of the Congress.

While the focus of the Transportation Improvement Act is on freight service, we must continue to be equally concerned about the quality of passenger service on our railroads. It is clear from the energy crisis that an increasing number of Americans are anxious to build and use a better passenger system. My budget for fiscal year 1975 provides significant new capital and operating funds for AMTRAK to expand and improve its current service. In addition we will move ahead promptly in carrying out the Regional Rail Reorganization Act of 1973.

One of the most exciting moments in our history occurred in 1869 when the Union Pacific Railroad, building west from Omaha, met the Central Pacific, building east from Sacramento. The joining of our Nation in this manner opened a whole new era of economic growth for America. Today our railroads are more necessary than ever. They make efficient

use of fuel with little negative impact on the environment, and they deliver nearly 35 percent of the Nation's freight at low cost. The essential tracks are there, the system that crisscrosses the country with a web of steel rails is in place. Now we must make it work again.

III. CONCLUSION

For too long we have focused a great deal of attention on some forms of transportation to the detriment of others, we have permitted decision-making at the Federal level to scramble priorities at the State and local levels, and we have begun to lose the diversity and flexibility in transportation systems that encourage competition and, therefore, great efficiency and greater effectiveness in the employment of these systems.

We have a clear understanding of these problems now, and we have begun to come to grips with them. I believe 1974 will see a crucial breakthrough in expanding and enhancing America's national system of transportation so that it once again serves our Nation with a maximum of flexibility, diversity, and balance.

RICHARD NIXON

The White House,

February 13, 1974.

NOTE: On the same day, Secretary of Transportation Claude S. Brinegar met with the President at the White House to discuss proposals included in the message.

The White House also released fact sheets on the proposed unified transportation assistance program and the transportation improvement bill and the transcript of a news briefing on the message by Secretary Brinegar.

46 Statement at the Conclusion of the Washington Energy Conference. *February 13, 1974*

I WOULD like to express my satisfaction with the outcome of the international energy conference which has just been meeting in Washington. The United States has approached the energy problem in a spirit of cooperativeness—among consumers and between consumers and producers—and I am pleased that this attitude struck a responsive chord with the participants of the Washington Conference. I believe that we are now well

launched on an international effort to deal with all aspects of the problem. At the same time, this is only a beginning, and all the nations concerned must now pool their efforts and their ingenuity in the following up of the work of the conference. The United States is ready to do so and looks forward to working with all the other countries involved.

NOTE: The statement was released at Key Biscayne, Fla.

47 Remarks at a Dedication Ceremony at the Cedars of Lebanon Health Care Center, Miami, Florida. *February 14, 1974*

Mr. Bronstein, all of the members of the board of directors, and the distinguished guests, and ladies and gentlemen:

When I noted that on my schedule I had been invited to participate in the dedication of a health care center of the Cedars of Lebanon, I said to one of my aides, "Well, I would be glad to do it, but I haven't got time to fly to California," because in the years that I was growing up, perhaps the most well-known health care or hospital center in the Los Angeles area was the Cedars of Lebanon. And I had not realized, even though I had come to Miami on many occasions, that there was also here, although a younger institution, one by the same name, Cedars of Lebanon.

I am glad to discover the Cedars of Lebanon in Miami. I congratulate you who have made it possible.

On this occasion I would like to pay tribute to all of those who made possible this new health care center and those who

have contributed to the Cedars of Lebanon Health Care Center over the past 12 years in which it has been in existence.

In doing so, I would like to put in perspective the work of this center insofar as it affects the health not only of the people of south Florida but of America and even of the world.

And I would like to refer briefly to the fact that this year, 1974, will be one when we can expect possibly a great step forward in better health care for all Americans. This is something we can all be thankful for.

There has been introduced in the Congress a new Administration measure, as you know, called the comprehensive health insurance program. It is one which will provide for health care for all Americans—those who can afford to pay will pay; those who cannot afford to pay will be taken care of. It means that no American will ever be denied health care be-

cause of lack of ability to pay, and that is a great goal for Americans that we are all working for.

It has some new items that perhaps would not sound particularly important on such an occasion as this. For example—I see some young people here in front—it even provides for dental care for very young people. It provides for catastrophic illnesses—illnesses which present insurance programs, whether private or public, do not cover adequately—so that we do not have a situation where a catastrophic illness means catastrophic debt for a family. And also it provides for those who are on Medicare over the age of 65. As you know, so many of them, if you have visited these homes and other centers where they stay, or their own homes, the problem they confront so often is not only the loneliness which comes if their children and others and friends forget them, which is perhaps the greatest disservice we can do to them, but also the fact that when they develop an illness, their program, Government program does not take care of it, and our program is one that will.

I will not go further in describing it. The doctors, the technical assistants, the experts will be arguing about it and debating about it as they should in the months ahead. But I would like to refer to this complex, this health care center, how it came into being, those who made it possible, and how it will operate in terms of this approach that we have to the problem of health insurance in the United States, because there is another way.

There is another way in which people suggest that—why do we have to go out and ask individuals to contribute \$10, \$100, \$1,000 in order to build a center like this? Why not turn it all over to the Government? And there are several rea-

sons why, of course, we would oppose that program.

One is that most of us would not want an \$80 billion increase in taxes. But let me suggest this: The difficulty with an all-Government program rather than one that builds on the great private medical profession and the private health care that we have in the United States, the difficulty with it is not its cost so much in money, because good health is worth whatever it costs, but the difficulty would be the cost in terms of reducing the quality of medical care.

I simply want to say, when I go to a hospital or when I have to call a doctor, I want that doctor to be working for the patient and not for the Federal Government, and that is what this is all about.

Now, our health care system has some weaknesses, but on the other hand, we can be proud of the fact that the health care system in the United States, in terms of quality, is the best in the world.

What we want to do is to be sure that that quality is available to all, but in making it available to all, don't reduce the quality. Because if medical care is free and it is poor that isn't the right approach, and that isn't the American way of doing things.

The American way is to build on the present system, which is a great system.

And so, I saw this name, Cedars of Lebanon, and I wondered, why. And reading the Psalms, I found out what a cedar of Lebanon was. It is a remarkable tree, apparently. It is always green. It is very sturdy. It can go through great storms, and also it is a tree that has long life, and finally, it is a beautiful tree.

And so here as we dedicate the Cedars of Lebanon Health Care complex, this section of it, it will produce long life or

help long life, I am sure, from having very briefly seen the various facilities that are so modern that we inspected. It is a beautiful building, but when I speak of the beauty of this Cedars of Lebanon, let me tell you where the real beauty is.

It isn't in the buildings, but it is in the people that made it possible. It is in the doctors and the nurses and all the rest who worked on it.

Now, the doctors don't need to be told how very important they are; they know. But let me say that this is an occasion to pay a tribute to the nurses, the technicians, hundreds of thousands of them in America, who work for good health.

I can only say from the very brief experience—and they have been very brief, fortunately, because I have been blessed with good health—but the very few times I have been in the hospital, let me say it is always much more pleasant to see a nurse come in than the doctor come in.

And I do know this: As I told one of the lovely young ladies who works in this complex, who is going to go back to nursing after she completes this technical work, I said the most important thing you can do for a patient is to raise his spirit; the most important thing you can do is to make him or her, no matter how ill he is, feel that he has a will to live, that he wants to live, that he is going to get well.

And that is something that can come not simply from highly technical operations and examinations but is something that all of those in the health care profession must be dedicated to with their hearts and their minds and their souls, and that brings me back to my original theme.

Great institutions, private institutions like Cedars of Lebanon, the great medical profession that we have in the United States is one that is personal, that is in-

dividual, that relates to the person himself, and that will have just as much effect in making people well as the professional or the technical aspects that money can buy as far as the Federal Government or any other government is concerned.

So, I congratulate today the doctors, the nurses, the technicians, all who are working in this complex. And may I also now pay tribute to another group, those, the board of trustees, have been introduced, but the hundreds of people—and there are perhaps thousands here in this audience and listening to me—who in the Miami area contributed the money to make this possible.

You know there was an easier way, and that gets back to whether it should be all-Government or whether it should build on the great private health care system that we have in this country. The easier way is just increase the taxes, throw the private health care system out, and let the Government do it all.

But let me tell you, in addition to reducing the quality of medical care, it does something else to the spirit of America that is very important.

It is good for us, all of us, to contribute to the well-being of other people and to do it personally and not simply through our taxes to an impersonal government. All of us in the various religious faiths that we represent know certain words that are used. There are some of those in the Protestant and Catholic faith who, when they make contributions to a hospital and so forth, use the word charity. That is a good word. It means you are trying to help somebody who is less fortunate. The Quakers to whom I belong—my Quaker grandmother, who always used the plain speech in talking to her grandchildren, said they must always have a concern for

other people. The word "concern" is a good word.

There is another word, however, that many in this audience would not know, but that I am familiar with, that perhaps describes this hospital better than anything else. It is the Hebrew word *tsdakah*. You know what it means. It does not mean charity in the sense of doing something for somebody because it is your duty, because there are less fortunate, not the condescension that charity might mean to some, but *tsdakah* means do it because it is right, it is just, do justly in your relations with your fellow human beings. That is what Cedars of Lebanon is all about.

Ladies and gentlemen, as we think of this center, therefore, we thank those who contributed to make it possible. We express our appreciation to the medical profession, not only the doctors and the nurses but the technicians who with their personal devotion and dedication will make it something more than a beautiful building, but will create that spirit that is so important to the recovery of an individual who may be plagued with illness.

And finally, there is one other thought that occurs to me which, I think, relates our whole program of health care to a goal that we all share today, and that is the goal of peace in the world. We are very fortunate that for the first time in 12 years, the United States is at peace with every nation in the world today.

Now, that peace was hard to gain, and it is not easy to keep. And we must not assume that it can be kept without strength, without firmness, without diplomacy, and without leadership by the United States, because the hope of any small nation in the world to survive rests right here in the United States of America, and we must be worthy of those hopes.

But let's move away from security, the peacekeeping things that we are all so concerned about. Let's move to other initiatives that are tremendously important and that can come in the years ahead if we can keep the peace.

Just 2 years ago, Mrs. Nixon and I visited the People's Republic of China. They have a system of government that I disagree with and that you disagree with, and they disagree with ours. But one-fourth of all the people of the world live there. And so, therefore, we should have relations with them for the purpose of avoiding a conflict in war. But there is another reason.

Just a few months ago, as a result of that visit, there came into my office 15 doctors from the People's Republic of China. That is the first time in 25 years that doctors from the country in which one-fourth of all the people of the world live had ever visited the United States of America. And as I met them and talked to them through an interpreter, I realized that if we are really going to do everything that we should and can to find a cure or a number of cures to the various types of cancer, which is one of the great goals we have, if we are going to do everything we can to develop better medical facilities and also the answers to other diseases that today are mysteries even to the great technical medical profession that we have, the answer is not necessarily only going to be found in America.

Oh, we have the best laboratories, I am sure. We have the best equipment in America. I think perhaps we have more qualified medical doctors and scientists in America in this field than any place in the world. But there are only 200 million Americans, and there are 3 billion that live in this world, and where is the genius,

the genius that may find an answer to the problem of cancer or arthritis or any of these other diseases that we all know are being studied and that you are contributing to?

It may not be an American. It may not be a white man, or a woman, for that matter. It may be somebody from Africa, from Asia, or even from China.

And so, one of the great objectives that I see, looking ahead, is not only to keep the peace but to see to it that whatever the differences we have between governments, let's see that those who are working for good health for their people work together with our people so that, as far as health is concerned, we work for good health, not only for America but for 3 billion people on this earth.

The question then is not simply peace in the sense of the absence of war; the question is, what do you do with peace? And one of the things you do with it is

build a better health care system, not only for America but for the whole world.

One of the things you do is to build a communication between people even when governments disagree. Gandhi said many, many years ago that health is the true wealth, more important than gold and silver.

And as we dedicate this hospital, this health care center and its facilities today, let us say it is a dedication to better health, but also we are dedicating an institution which serves the true wealth, the true wealth of America and of the whole world, better health for all of us.

Thank you.

NOTE: The President spoke at 12:47 p.m. on the lawn of the Cedars of Lebanon Health Care Center. Prior to making his remarks, President Nixon toured the center's new South Building, an automated health testing laboratory.

In his opening words, the President referred to Sanford K. Bronstein who was president of the Cedars of Lebanon Health Care Center.

48 Remarks at Honor America Day Ceremonies in Huntsville, Alabama. February 18, 1974

Governor and Mrs. Wallace, Governor and Mrs. Waller, Governor and Mrs. Dunn, Senator and Mrs. Sparkman, Senator Allen, Congressman Robert E. Jones, Congressman Jack Edwards, Mayor Davis, Mr. Chairman,¹ and all of these very distinguished guests who are here on this occasion:

I was speaking to Governor Wallace just before he got up to make his very gracious introduction, and I told him that I had read someplace that Huntsville was the first capital of Alabama for 2 years.

I would like to say today that Huntsville, which was the first capital of Alabama many, many years ago—it was capital, as I understand, for only those 2 years—today certainly, in terms of the size of this turnout, is the first city of America in its devotion to America and in honoring America.

And as we speak of honoring America today, I think there is something symbolic about those who are on the platform together. When I saw the guest list, I realized that there were three Governors here—from Mississippi, from Tennessee, and Alabama—which makes this broader than simply an Alabama affair. And I

¹ Lou Azar was chairman of the Honor America Day Committee.

also saw that in terms of the American political scene we had an interesting point to make.

It was 22 years ago that Senator Sparkman and I were opponents for the Office of Vice President of the United States, and in 1968, Governor Wallace and I were opponents in seeking the Office of President of the United States. And now here today we are joined together and we meet together not as northerners and southerners or easterners and westerners, not as Democrats or Republicans, but we meet today as Americans first, honoring America, which surmounts all other differences we may have.

And I would like to say that in terms of the Senators and Congressmen who are here, as Governor Wallace has already implied, that when the great issue before the Congress does involve the defense of America, when it involves the honor of America, I find that those lines between the parties certainly begin to be erased away. And these men, particularly, have been ones who have stood up for America whenever there has been a test and have not allowed partisanship to interfere.

You can be very proud of the representation you have in the Senate and also the House of Representatives.

The president of the Sertoma Club has already eloquently indicated the purpose of this celebration, and there is perhaps not too much that I can add in that respect.

But what I would like to emphasize today is a point that he alluded to, and that is that we live in one of those periods in American history when there is a tendency for there to be a great deal of hand-wringing and pessimism about the future of America.

It is not unusual and it often occurs after the end of a war, but the point that I wish to make is that it is very well on an occasion like this when we honor America that after hearing so much about what is wrong with America, we hear a little bit about what is right about the United States of America.

Those in this audience are well aware of how fortunate we are to live in America. I look at all of the young people here, the young football players who will be in the Sugar Bowl someday, I suppose. I think, too, of their future, and as I see these young people, I think of all the nations of the world, and I want to say one thing to the young people today. You will read sometimes about mistakes our country has made in the past and in the present. You will read sometimes about things that are wrong about America, and you should find out what is wrong so you can correct them. But let me tell you this: If you had to pick a country into which to be born, a country where you had the greatest freedom and the greatest opportunity to go as high as your talents will take you—and I have seen most of the countries in the world—believe me, you would all pick the United States of America. You should be thankful every day that you live here.

We have a lot to be thankful today as Americans, thankful, for example, for the fact for the first time in 12 years, America is at peace with every nation of the world and all of our prisoners of war are home where they belong.

We also have much to be thankful for in terms of the fact that we enjoy the highest standard of living, which we all know, that more Americans have better jobs and higher wages than any country in the world, that there is more freedom, more opportunity in America than any

place in the world. Oh, these things we always hear and sometimes take for granted, and I would not, in mentioning them, suggest that we did not also have problems.

But let us be thankful that the problems we have today are the problems of peace and not the problems of war. For example, people are concerned, as they should be, about the high cost of living—prices are too high—but what we are trying to build in America is something that we haven't had for the last 12 years, and that is a new prosperity without war, without inflation. What we are trying to do is to stop the rise in prices without a recession and without the domination of big government on top of all of the American economy. I think we can do it. And I believe we can achieve that goal.

And then I know too that many Americans here are concerned, as I am, as Governor Wallace and our other colleagues are, about the energy crisis. Let me put it in another sense, if I may. The other evening at the White House there was a very distinguished group of visitors. The foreign ministers from all of the major industrial countries of the world were there—the British, the French, the Italians, the Germans, the Japanese—and as I thought of the countries that they represented and I thought of America, I realized that of the major industrial countries of the world, the United States, insofar as the free world is concerned, is the only free world country of those major countries that has the resources to become totally independent of any other nation as far as their energy is concerned.

Let me point out why: We have coal resources, we have untapped resources in natural gas, we have the genius of those who develop peaceful uses for our nuclear

power, and we have other areas in which we can develop that independence from any other nation. And I say that as we get prepared to celebrate America's 200th anniversary of its independence, just 3 years from now, let us also set as our goal—which we can reach by the year 1980—that the United States will be completely independent of any other nation for the energy we need to provide our jobs and to move our cars and to heat our homes.

So you see, while we do have problems, they are problems that are challenges, they are the problems of peace, and they are problems that we can solve.

And now I would like to turn, if I could, to what I believe is terribly important for us to think of on a day like this, and that is, why is America a great country? Sometimes the quick answer to that, "Why, we are great because we are the strongest country in the world." We are. And others say we are great because we are the richest country in the world, and that is true, too. But the secret of America's greatness goes far beyond its wealth and far beyond its strength.

Think back a moment two centuries ago, think back to the days of George Washington whose birthday we will celebrate in just a few days and that we are symbolically celebrating today. Two hundred years ago, America had 3 million people, there were 13 colonies, it was a weak country, and it was a poor country. But some way that weak America and that poor America caught the imagination of the world. Why? Because America stood for something more than wealth, something more than strength.

There are these elements that I think we should all bear in mind that America has stood for from the time of its beginning, which has meant that we had an

appeal to the world and still have it, if we never forget the real sources of our strength. First, because America has always had what we call in a general sense the Spirit of '76 which we are now recapturing 200 years later in 1976, and that Spirit of '76 means, first, the spirit of freedom for all people. Second, it means the spirit of opportunity for all people. And third, it means a spirit of self-reliance.

When I look over the history of [this] country, of the United States—and I think all of you, as you look at it, will agree with this—America became the strongest and the richest and the freest country in the world not because of what government did, but because what people did. People made America, and that is what we must remember today. I refer to the spirit of self-reliance that has built this great country, but the spirit of people who asked not what is the government going to do for me, but what can I do for myself and for my country. That is what built America, and that is what will build it in the future.

And there is another spirit which also has always characterized the American scene, and it is this—Governor Wallace referred to the space program: No nation can be great if it gives up in the race to explore the unknown.

Clearly apart from anything we gain militarily from our exploration of space, we must remember that whether it was exploring the world in which we live, or whether it is now exploring the heavens and the new worlds in the years ahead, America must never settle for second best.

We must seek to be number one, and we shall be number one. Because when a nation fails to seek to do its best, when a people fail to do everything that they can

to achieve the ultimate in their greatness, they cease to be a great people.

And then there is another spirit about America that I would characterize as part of the Spirit of '76 and it is this: Americans have always had strength in adversity. In 200 years we have had 12 wars. In 200 years we have had many great depressions. There have been times of discouragement in America. But the American spirit was such that we always became stronger when the going got tougher.

The American people are not a nation of quitters. We are a nation that will keep fighting on until we succeed. As Winston Churchill once said, speaking in another context, he said we did not journey all this way across the centuries, across the oceans and across the mountains and across the prairies because we were made of sugar candy.

It is that character, self-reliance, the character that I have also mentioned in terms of strength in adversity that has made America great, and we must always revitalize it on an occasion like this.

I think, for example, of that character in the personal terms of the individual who has introduced me so eloquently a few moments ago. I think he will remember the day I visited him at the hospital shortly after the totally senseless attack was made on his life.

I went in and talked to him for a few moments, and afterwards—Mrs. Wallace will remember—I came out and gave her my appraisal, not as a doctor, but as a layman, of how he was doing.

And I said, "I know nothing about the physical prognosis, but I know one thing, there is nothing wrong with his spirit. He has the will to live. He will come back, he is going to make it." And he did, because he has got that strength.

And so, when any of you may have your concerns about this setback or that, remember that there have been men and women in our history who have survived great problems, and the more difficult they are, the stronger they become. That is what made America.

And then there is one final element of the greatness of this country that I refer to, and it is this: America has always been driven forward by a sense of destiny. Thomas Jefferson said when this country was being founded, when the Declaration of Independence, which is inscribed behind us here at this park, when it was written, he said we act not for ourselves alone, but for the whole human race.

When you stop to think about it, that was a rather presumptuous thing for a man to say at that time, speaking of a weak, poor country like America. But Jefferson, and Washington before him, and other Presidents after them, also had that sense of vision, and today it is true. And I want to say something again, particularly to our young people and to all of us who have responsibility for your children and grandchildren in the years ahead: What America does or fails to do will determine the peace of the world for generations to come. Maybe some of us would not want it that way. I know that many, after the difficult experiences of a war in Vietnam and before that Korea and before that World War II and before that World War I, we say, let us put down the mantle of leadership, let someone else have the responsibilities to maintain the strength that keeps freedom possible here and in many nations throughout the world.

But I can say to you that unless America maintains its strength and meets the responsibilities to defend freedom, which we are doing throughout the world, it

means that freedom not only will be endangered, but the peace of the world will be no longer secure.

And on this occasion then, let us dedicate ourselves to the kind of peace we want. It is good that the peace of the world is in our hands. I say that from the standpoint of other nations, because we seek not to enslave them, we seek not any domination over them, we seek only for themselves what we have, the right to independence, to freedom for all of our people.

And it is also good for us, because when a nation and a people seek great goals, they are a great people, and when it refuses to accept the challenge to seek great goals, they no longer are a great people.

And I can say to you today, my friends here in Alabama, that as we look toward the end of this century and as I think of the role America can and will play, I am confident we can build a new world, a new world in which nations will have differences, but in which we can have peace among peoples, a new world in which America will benefit a great deal from it, because we will have what we want, that prosperity without war here in the United States of America.

There is one final thought that I would leave with this great audience today. It also has been alluded to by the president of the Sertoma Club, and it is this—When we think of America and other civilizations, we must have a concern about this nagging fact of history: Most civilizations or nations run out their course in about 200 years, and the reason is not because they became poor and not because they became weak, but because they lost the will to be great. They turned inward and the divisions destroyed them. In other words, a great nation sometimes cannot

afford all of the problems that wealth and richness bring, and what we must remember is that we cannot let this happen in America.

We are strong and we are rich, but there is so much more work left to be done here at home to build better opportunities for our children for education and health and all the other areas that we want for them. And abroad there is so much more to be done that only America can do to leave a legacy for generations to come of a peaceful world.

This is the destiny of America. This is why God has blessed this country as richly as He has, and this is why on this Honor America Day we are going to be worthy of that challenge.

And finally, ladies and gentlemen, a personal note, and I think most of my colleagues from Washington will agree with this. Washington is a great capital, it is the first capital in the world, and it is a great city, but sometimes those of us who live there and work there find that in the Nation's Capital there is a tendency for partisanship to take over from statesmanship. In the Nation's Capital sometimes there is a tendency in the reporting of news—and I do not say this critically, it is simply a fact of life—that bad news is news and good news is not news. And as a result, those of us who work there and try to develop the policies for the

Nation may get a distorted view of what is America and what it is really like. It is there you hear more than any place in the world that America is sick, that there is something wrong with this country that cannot be corrected.

Just let me say this one thing, and I say it in a very personal sense. I thank you for coming out in such great numbers to welcome me and Governor Wallace and the other guests on this occasion, but I thank you for reminding all of America that here in the heart of Dixie we find that the heart of America is good, the character of America is strong, and we are going to continue to be a great nation when we are 200 years old.

[At this point, the President received a plaque from Gerald A. Ludick, president of the Madison County Sertoma Club, which sponsored the second annual Honor America Day celebration. The President then resumed speaking.]

Thank you very much and I would like to say just a word about the Sertoma Club. As you know, it is a service club. It is not America's oldest service club, it is not its longest service club, but I can say to you, Mr. President, in terms of the contribution that any service club makes to patriotism in America, there is no service club in America that equals the Sertoma Club.

NOTE: The President spoke at 1:52 p.m. at Big Spring International Park.

49 Statement About the United States-Peruvian Agreement on Investment Disputes. *February 19, 1974*

I AM pleased that this morning in Lima, Peru, the United States and the Government of Peru have concluded an agreement which resolves a number of investment dispute problems that have clouded

relations between our two Governments for the past 5 years. This agreement is consistent with my deep concern about just treatment of United States investments overseas and constitutes another

step in strengthening the mature partnership in this hemisphere to which I am strongly committed.

Investment disputes in recent years have unfortunately troubled our traditionally good relations with a few Latin American countries. We are gratified at the successful outcome of these particular negotiations. The best solution to these problems is for the parties involved to settle their disputes directly. But there is a clear need for a new approach—for a way to solve such problems without lengthy negotiations and without com-

plicating good relations between friends. We should establish an effective, impartial mechanism to resolve these questions within the inter-American family. I have asked the Secretary of State to explore this possibility when he meets later this week with the Latin American and Caribbean foreign ministers in Mexico City.

NOTE: On the same day, the White House released a fact sheet on the agreement and the negotiations leading to its conclusion. The fact sheet is printed in the Weekly Compilation of Presidential Documents (vol. 10, p. 223).

50 Message to the Congress Transmitting Annual Report on Location of New Federal Facilities in Rural Areas.

February 19, 1974

To the Congress of the United States:

I am transmitting today the third annual report on the location of new Federal offices and other facilities in rural areas of America.

The enactment of the Rural Development Act of 1972 has further strengthened the Federal Government's commitment toward raising the economic level of rural America. This Administration strongly supports this objective of making rural America a better place to work and enjoy life by providing financial and technical assistance to rural communities.

This report reflects the efforts of all executive departments and agencies in giving first priority to locating their new offices and other facilities in rural areas

as required by the Agricultural Act of 1970.

Our efforts this past fiscal year have resulted in the placing of 51.8 percent of the newly located offices and other facilities in rural areas. This accomplishment substantiates the support of this Administration in attaining this Nation's objective of balanced and beneficial growth.

RICHARD NIXON

The White House,

February 19, 1974.

NOTE: "The Third Annual Report on the Location of New Federal Offices and Other Facilities" was prepared within the executive departments and agencies and compiled by the Department of Agriculture for transmittal to the Congress by the President.

51 Special Message to the Congress Proposing Economic Adjustment Assistance Legislation. *February 19, 1974*

To the Congress of the United States:

The industrialization of America is essentially a story of change and progress. For most communities, that change is usually beneficial, enhancing general prosperity. But for some, adjustment to change can be difficult. As new developments unfold in energy, defense needs, technology, and international trade, some areas of the country will inevitably suffer transitional pains even as the Nation as a whole is benefiting.

There are now over 400 areas in the country which have experienced chronic unemployment and low income levels, despite a general increase in national prosperity. In these depressed areas it is also not unusual to find inadequate educational and health arrangements as well as substandard housing.

For nearly a decade, the programs of the Economic Development Administration and the Regional Action Planning Commissions have been attempting to alleviate economic distress and restore economic viability to these chronically distressed areas. Last year I proposed to terminate the programs of EDA, and remove the Federal role in the decisionmaking process of the Title V Regional Commissions, because those programs had not been effective. Subsequently I agreed with the Congress to continue those programs for one more year while we reexamined the problems and the ability of current and proposed Federal programs to deal with the problems.

The study, conducted over the last several months by the Department of Commerce and the Office of Manage-

ment and Budget, was completed and transmitted to the Congress on February 1, 1974. It concludes that:

—Current economic development programs fail to provide adequate assistance for economic change *before* the changes have done serious damage to the viability of recipient communities;

—The project-by-project allocation of Federal assistance results in dispersion of available resources in amounts too small to do much lasting good, and it also fails to encourage a comprehensive and planned multi-level government and private response to the problems of economic adjustment;

—There is a need for a more effective form of Federal assistance to permit States and communities to develop comprehensive and targeted adjustment efforts.

If new economic opportunities can be developed in an area before labor, capital, and hope are dispersed, the normal rhythm of economic life can be maintained. We can then avoid the enormous outlays for economic assistance that are required to help distressed areas, and we can prevent the irretrievable loss of resources that occurs in spite of this assistance.

THE ECONOMIC ADJUSTMENT ASSISTANCE PROGRAM

Based upon our experiences with current programs and the conclusions of the recent Government study, I believe it is time to revamp our approach to adjustment assistance.

I am, therefore, sending to Congress today my proposal for an Economic Adjustment Act. This measure is designed to help States and communities provide smoother and more orderly adjustment to economic changes and limit the number of new distressed areas. It will also permit more effective long-range areas to overcome the problems of areas now suffering from economic distress.

By granting State and local officials greater flexibility in the way they spend Federal funds within distressed areas, it is our hope that they will have greater success in reducing unemployment and raising general income levels in those areas.

Although this act is not intended as an emergency measure just to deal with dislocations caused by the energy crisis, it could serve as an extremely important tool for States and communities in responding to energy problems. This proposal, along with my recent proposal for extending unemployment insurance benefits for individuals in areas heavily impacted by energy problems would help reduce hardships while adjustment efforts are pursued.

RETURNING DECISIONMAKING TO THE STATES AND COMMUNITIES

A primary goal of the proposed act is to return to States and communities the principal responsibility for deciding how to use the proposed Federal assistance to achieve program objectives. If this assistance is to be used to maximum advantage, the decisions must rest with State and local officials who are in the best position to understand their needs.

In order to return this responsibility to the States and communities, a minimum of 80 percent of the funds available under the act would be automatically

allocated to States on the basis of a formula that would recognize the needs of the States and communities for assistance. The formula would take into account unemployment levels, population dispersal, income levels, and other factors. The remaining funds would be allocated to States on a discretionary basis to meet special needs arising from State, regional or local problems, or from Federal actions such as closing of large Federal installations. The funds allocated to a State would automatically be made available to the State upon preparation and approval of a general State plan which specifies the target areas selected for economic adjustment and the general objectives planned for each area.

Because the money would be given to the States as a block grant, the States could apply it to only one or a few problem areas, with each project getting enough money to make a difference. By contrast, much of the EDA funding has been dispersed in smaller amounts for many different projects, thereby making it difficult to develop a comprehensive effort to overcome the problems of any area. Furthermore, under the new program, States should be able to apply funds to areas before economic distress becomes acute.

This approach would also maximize State and local responsibility for planning and carrying out economic adjustment efforts, while providing assurance that the funds are being used to pursue national objectives. It would permit States, and adjustment areas within States, to develop and put into effect their economic adjustment plans in conjunction with related programs such as those under the recently enacted Comprehensive Employment and Training Act, the

Rural Development Act, and the proposed Better Communities Act. States and communities could also conduct more rational planning for economic adjustment because they would have a better understanding of the amount of Federal resources which would be available to them for that purpose. And they would no longer design programs on the basis of what States and local governments think Washington wants, rather than what they themselves need.

STRENGTHENING REGIONAL PLANNING AND COORDINATION

The Economic Adjustment Act would authorize interstate compacts to permit States to work together on common adjustment efforts. States which participate in multi-State economic adjustment organizations could use funds allocated under the act for joint adjustment efforts, including administrative costs and planning activities of the regional organization. Regional organizations could participate in the development of the plans of the member States to assure that the State plans reflect any regional adjustment needs.

The principal Federal authority and responsibility under the act would be given to ten Federal Regional Administrators, one in each Standard Federal Region. The Federal Regional Administrators would have responsibility for reviewing State plans, obligating funds to the States, and evaluating performance by the States in using the funds.

The Federal Regional Administrators have the responsibility of working closely with the Federal Regional Councils in each Federal region to help assure improved coordination among the many Federal programs which affect economic

activities in an area or region. I plan to request the Secretary of Commerce to carry out the central Federal administrative and policy responsibilities under the act.

TRANSITION PERIOD PROPOSED

The Economic Adjustment Assistance Program would replace the programs now conducted by the Economic Development Administration and the Regional Action Planning Commissions. Although current authority for those programs is now due to expire at the end of this fiscal year, I am prepared to accept legislation to extend that authority for the purpose of providing for an orderly transition to the new Economic Adjustment Assistance Program.

With the expectation that the Congress will provide the required legislation for the new program and will extend the programs of EDA and the Regional Commissions, my budget for fiscal year 1975 includes funding for EDA and the Title V Commissions at a level of \$205 million. The budget also includes an additional \$100 million as initial funding for the new act. This will provide a total of \$305 million for these programs in fiscal year 1975, an increase of nearly \$50 million over the 1974 levels.

The concerns and suggestions of Members of Congress have played a major role in shaping this legislative proposal. I hope that the dialogue between the Congress and the executive branch will continue as the Congress considers this proposal.

The Economic Adjustment Act can provide the basis for an important improvement in the ability of our States and communities to adjust to economic changes and prevent unnecessary distress

and hardship. By helping to raise employment and income levels for some Americans, it can improve the quality of life for all Americans.

RICHARD NIXON

The White House,
February 19, 1974.

NOTE: On the same day, the White House released a fact sheet and the transcript of a news briefing on provisions of the proposed legislation by Frederick B. Dent, Secretary, and William W. Blunt, Jr., Assistant Secretary for Economic Development, Department of Commerce.

52 Remarks Following a Meeting With Arab Foreign Ministers To Discuss Prospects for Peace in the Middle East. *February 19, 1974*

Ladies and gentlemen:

Foreign Minister Saqqaf of Saudi Arabia and Foreign Minister Fahmy of Egypt, Dr. Kissinger, and I have just had an extended and very constructive discussion with regard to our achieving the goal of a permanent peace in the Mideastern area.

With regard to the various steps that have been taken—the first of which, of course, was the disengagement on the Egyptian front—the immediate problem that concerns us all is to obtain disengagement on the Syrian front.

The two Foreign Ministers are here representing not only their own governments but also four heads of state, as they will indicate, and at the request of the foreign ministers conveying the requests of the heads of government, we believe that steps should now be taken to get the talks begun between the Syrians and the Israelis with regard to disengagement.

Consequently, at their request, I have asked Dr. Kissinger, when he completes his trip to Mexico City, to go to the Mideast again where he will meet with the Syrians and with the Israelis, with the objective of getting talks started with regard

to the problem of disengagement on the Syrian front.

In addition to that, we discussed other matters of mutual concern having to do particularly with the need to have a permanent settlement in the Mideast. And I would say—and I would allow, of course, each of them, or would ask each of them to comment as they see fit with regard to the point I will be making now—that the goal of all governments, these two governments with which we have had very friendly relations in recent times and some over a longer time, the goal of our governments is to have not simply a temporary settlement but a permanent settlement, with normal relations, economically, diplomatically, and in other ways in that area of the world and with all of the countries of that area of the world.

And as our senior guest, we will call on the Foreign Minister of Saudi Arabia to say anything he would like.

Mr. Saqqaf.

NOTE: The President spoke at 12:42 p.m. in the Rose Garden at the White House.

Minister of State 'Umar al-Saqqaf of Saudi

Arabia and Foreign Minister Ismail Fahmy of Egypt responded to the President's remarks as follows:

MINISTER OF STATE AL-SAQQAF

My friend, thank you very much.

I think you see me now for the third time. You might notice that I am better relaxed. The reason is that I have had a very good and constructive discussion with the President and with the Secretary.

I think Mr. President summarized everything, and I don't need to add anything, except that we feel hopeful that something will happen and soon, for the benefit of the United States, of the Middle East, for the world as a whole.

Thank you.

FOREIGN MINISTER FAHMY

We had, as the President has just said, an extended discussion, and very constructive, and we are very pleased—after conveying to the President the decisions which were taken unanimously by the four heads of government in Algeria—we are very pleased, as you have heard the President, that the United States will continue to work for a permanent and just peace in the Middle East, for the benefit of the countries of this area. And we welcome his approval of dispatching the Secretary of State to the area again to start contacts with the Syrians and the Israelis to start working on a disengagement on that front as the United States actively participated before, so far as the Egyptian front, and there was a successful result from the U.S. efforts in that regard.

Thank you.

53 Message to the Congress Transmitting Reports on the Military Incentive Awards Program. *February 20, 1974*

To the Congress of the United States:

In 1965, the Congress authorized participation by military personnel in a program of cash awards for suggestions, inventions and scientific achievements. Nearly 1.5 million suggestions have been submitted since that time, and the program has successfully motivated military personnel to seek ways of reducing costs and improving efficiency. Of those suggestions submitted, 235,378 have been adopted, resulting in tangible first-year benefits in excess of \$728 million.

During fiscal year 1973, 131,944 suggestions were submitted and 20,854 were adopted. The adopted suggestions represent tangible first-year benefits of \$66,525,250.87, as well as many additional benefits and improvements of an intan-

gible nature. Cash awards in fiscal year 1973 totalled \$1,467,531.98, of which 82 percent went to enlisted men.

In accordance with the provisions of 10 U.S.C. 1124, I am forwarding reports of the Secretary of Defense and the Secretary of Transportation containing statistical information on this program and brief descriptions of some of the more noteworthy contributions made by military personnel during fiscal year 1973.

RICHARD NIXON

The White House,

February 20, 1974.

NOTE: The 4-page report of the Secretary of Defense and the 3-page report of the Secretary of Transportation cover the period July 1, 1972–June 30, 1973.

54 Message to the Congress Reporting on the Balance of Payments Deficit Incurred Under the North Atlantic Treaty.
February 20, 1974

To the Congress of the United States:

In accordance with Section 812(d) of the Department of Defense Appropriation Authorization Act, 1974 (Public Law 93-155), I am pleased to submit the following report to the Congress on the progress made in implementing the provisions of Section 812 of the Act cited above.

Several months prior to the enactment of Section 812, this Administration took the initiative to seek Allied cooperation in developing a solution to the financial problems arising from the stationing of U.S. forces in NATO Europe. We initiated discussions with the Federal Republic of Germany in May 1973 with a view toward negotiating another bilateral offset agreement covering fiscal years 1974 and 1975. Then at the June 1973 meeting of NATO Defense Ministers, Defense Secretary Schlesinger proposed to the Allies that they develop a program to relieve the U.S. balance of payments burden we bear as a result of stationing forces in NATO Europe. He also asked that the U.S. be relieved of the additional budgetary costs involved in stationing forces in NATO Europe rather than in the U.S. A NATO study group was established to examine the problem. This group submitted a report on October 20 to the North Atlantic Council, giving an analysis of the financial problems arising from the stationing of U.S. forces in the territory of other NATO countries and developed options for Allied action to deal with these problems.

On November 29, 1973, following the

enactment of the Department of Defense Appropriation Authorization Act, 1974, Ambassador Rumsfeld, the U.S. Permanent Representative to the North Atlantic Council, tabled an illustrative program of military procurement and budgetary support which would satisfy the requirements of Section 812 of the Act and thereby avoid unilateral U.S. force reductions in NATO Europe. Subsequently, during the December 1973 meeting of NATO defense ministers, our Allies declared their intention "to participate in multilateral or bilateral arrangements towards providing a common solution to the United States problem", agreed "to examine how the share of the United States in the civil and military budgets of NATO and in the infrastructure program might be substantially reduced", and noted that "consideration was being given to widening the eligibility of projects for funding under the common infrastructure program." We are continuing to point out in the North Atlantic Council and elsewhere the importance we attach to meeting the requirements of Section 812 if we are to avoid unilateral U.S. force reductions. We continue to stress, therefore, the urgent need for Allied action to fulfill the intentions declared at the December 1973 meeting of NATO Defense Ministers, regardless of the evolving balance of payments position of the U.S. and its Allies.

Pursuant to Section 812(a) of the Act cited above, a working group composed of representatives of the Secretary of Commerce, the Comptroller General of the United States, and the Secretary of

Defense, has developed concepts for use in calculating the pertinent deficit once the receipt and expenditure information becomes available for all of fiscal year 1974. An inter-agency committee within the Executive Branch has prepared recommendations concerning what acceptable actions our Allies could take to offset the expected deficit. Applying the concepts developed by the working group chaired by the Department of Commerce, the Department of Defense estimates that U.S. expenditures entering the balance of payments as a result of the deployment of forces in NATO Europe in fulfillment of treaty commitments and obligations of the United States in fiscal year 1974 will be approximately \$2.1 billion. In response to a U.S. request, a study is now underway in NATO to collect more complete data than in the past on Allied military procurement from the U.S. in fiscal year 1974. A high level of military procurement will be essential if the requirements of Section 812 are to be met.

Bilateral offset negotiations with the FRG [Federal Republic of Germany] constitute the major element in our effort to obtain Allied payments to offset these expenditures. The current discussions are based on a German offer which represents an increase over the amount of military procurement and budgetary support included in the FY 1972-73 agreement. However, major cost increases of deploying our forces in Germany, international economic and financial develop-

ments, and the multilateral burdensharing discussions have combined to make the negotiations unusually complex and time consuming. Once a satisfactory bilateral offset agreement has been concluded, we will look to our other Allies for the remaining amount needed to offset our estimated expenditures of approximately \$2.1 billion. Although the energy crisis and the changing overall balance of payments positions of the U.S. and the European NATO countries have made it more difficult for the other Allies to respond promptly to our request for burdensharing assistance, we are continuing to stress to them the urgent need to develop a specific program to ensure that our military expenditures are fully offset.

Action to reduce the U.S. balance of payments costs and budgetary burdens associated with the stationing of U.S. forces in NATO Europe, while important, are not the only measure of equity in sharing the common defense burden. Our European Allies are continuing to improve their forces for NATO. These improvements, reflected in increasing European defense budgets, are an important aspect in sharing the defense burden. We are encouraging our Allies to continue these improvements and, when possible, to direct their increased spending into areas which serve also to reduce the U.S. share of the common burden.

RICHARD NIXON

The White House,
February 20, 1974.

55 Special Message to the Congress on Health Programs.

*February 20, 1974**To the Congress of the United States:*

Good health is basic to the well-being of any society, as basic as education, jobs and individual liberties. Improving the level of health in America and assuring that all Americans have financial access to quality health care remains a top priority of this Administration.

By world standards, the health of Americans is good, and our health care system is capable of delivering the finest and most modern care the world has ever known.

But there are still inequities and deficiencies. Improvements can and must be made.

The objectives we seek for health care in this country can be simply stated:

—We want all Americans to have the necessary financial resources to purchase the health care they need at reasonable prices.

—We want an adequate supply of health professionals—doctors, nurses and others—to serve our communities.

—We want a full range of health services to be used efficiently by those who need them; over-use is poor health care and bad economics.

—And we want a strong research program to find ways to prevent and cure diseases.

These are common objectives all reasonable people can agree on. But we must also reach a consensus on how best to achieve them.

Neither the private sector nor the Federal Government acting alone can assure financial access to care for all, improve the quality of services, and guarantee that biomedical research is both supported and

utilized. We must rely instead upon a partnership among private physicians and institutions, State and local authorities, and the Federal Government—a partnership that builds upon the strengths of the present system and gives it new vitality.

We have already made great progress. By strengthening and expanding our partnership, we can achieve even more. I have already proposed an integrated strategy that includes a Comprehensive Health Insurance Plan as well as rapid development of Professional Standard Review Organizations, continuation of price controls in the health sector, and increased biomedical research funding. I am recommending other health proposals on planning and health manpower. Taken together, these measures represent a realistic and effective health strategy for the 1970's—a strategy to improve the quality of health care for all of our citizens. In this message, I want to review the components of that strategy and outline the additional proposals that the Administration will soon be sending to the Congress.

COMPREHENSIVE HEALTH INSURANCE

Today the health insurance possessed by many Americans is often inadequate or encourages misuse of the health care system. Usually it pays for a stay in the hospital, but not for visits to the doctor's office. It will pay for only a limited number of days in the hospital. Often it fails to cover prescription and life-saving drugs, or preventive services for the young, or mental health care. Finally, while it often encourages unnecessary use of ex-

pensive services in the short run, it fails to protect our citizens against the massive financial loss from catastrophic illness in the long run.

The Comprehensive Health Insurance Plan that I recommended to the Congress two weeks ago would correct these and other deficiencies. Our plan would provide a very comprehensive package of health services. It includes preventive health services for children and pregnant mothers, dental care for children, and mental health care for all. It would provide for free choice of care, whether from traditional fee-for-service physicians or from pre-paid health maintenance organizations, and it would provide incentives to control costs. It would also eliminate duplicate billing and accounting procedures for both patients and providers. Most importantly, it would remove the threat of family bankruptcy due to the costs of catastrophic illness.

Placing health benefits within the financial reach of all Americans is the central element of our health strategy for the 1970's. But such benefits alone are not enough.

PROFESSIONAL STANDARDS REVIEW

Under my Comprehensive Health Insurance proposal, the Professional Standards Review Organizations now being established by law would be expanded to improve the quality of health care for all.

As presently contemplated, there will be a nationwide system of locally run physician organizations which will review the quality and effectiveness of medical care delivered to Medicare, Medicaid, and Maternal and Child Health beneficiaries. These new organizations, called PSRO's, provide great potential for bringing about

improvements in health care practices by the best possible utilization of health care facilities and services.

This program is a unique Federal effort. It recognizes that physicians at the local and State level are best suited to judge quality and appropriateness of care. Individual PSRO's will be established and operated by local physicians, although the Federal Government will pay the operating costs. A number of PSRO's are expected to be designated and set into operation by the end of this fiscal year.

CONTROLLING HEALTH COSTS

Assurance of quality is not enough. We must also avoid the cost inflation which followed the introduction of Medicare and Medicaid. Our health insurance proposal would call for States to oversee the operation of insurance carriers and establish sound procedures for cost control. Until these or other controls are in place, I recommend that our present authorities to control health care costs be continued. I am asking the Congress for such authority.

Between 1969 and 1971, when consumer prices rose at an annual rate of 5.3 percent, medical care services measured by the Consumer Price Index rose 7.7 percent a year, with hospital costs rising by over 13 percent each year. In these years leading up to the beginning of the Economic Stabilization Program, the health industry was the most inflationary sector in the American economy. As such, it was a special economic problem requiring special regulations.

Two and one-half years of controls brought the annual rate of increase in medical prices down from 7.3 percent to 3.7 percent in 1972 and 4.4 percent in

1973. The 1973 rate was below the general rate of inflation. But inflationary pressures are still strong in the medical field, so that we must maintain Federal controls until other measures are adopted under Comprehensive Health Insurance.

IMPROVING HEALTH SERVICE DISTRIBUTION

Improved professional standards and sensible cost controls should be complemented by improvements in health services.

Presently, much of our health care is delivered in a hit-or-miss fashion. Too few American communities know how to balance their health services properly. There are too many hospital beds in many communities and not enough out-patient services; few communities are capable of delivering high-quality emergency medical care; and we do not have enough physicians and other health professionals delivering primary health care. These problems could grow more serious. Removal of financial barriers can be expected to create new demands on our health care delivery system.

We must develop a better capacity to forecast and anticipate health needs rather than having to react hurriedly after the fact. The delivery of health care must be planned and guided in the States and communities by those persons who best understand the health problems of the people and localities concerned.

There are many concrete steps to be taken. For example, we must maintain our efforts to demonstrate for local communities the benefits of comprehensive emergency medical care systems. We must also maintain our newly enlarged capacity

to produce well trained health professionals, we should continue to provide incentives to train primary care physicians and we should demonstrate ways of bringing services of physicians into rural and inner city areas where doctor shortages exist. Further, we must improve our methods of quickly converting research findings into physicians' practice. The Nation should perfect a system where scarce life-saving technology is available to serve all those who need its benefits.

To accomplish these goals, we must encourage State, local and private authorities to modify some of the existing organizations and laws relating to health regulation, licensing, planning, production and manpower allocation.

Existing planning agencies have faced these issues to the best of their abilities. Some have performed well, helping States and communities plan for new and improved health resources in a rational, orderly and economical way. Others, however, have failed to bring about material improvements in the health care system and are not well suited to the demands of the future.

HEALTH PLANNING

We will shortly be submitting legislation to the Congress that would authorize the Department of Health, Education, and Welfare to support local health planning boards composed of representatives of the public, health care providers, insurers, health educators and elected officials. These boards would prepare comprehensive health plans for health care delivery systems designed to meet the needs of the people in their areas. States would continue to have the primary role

of approving new facilities and would receive assistance in monitoring rate increases in the health industry.

The boards would assume the present planning activities of the Comprehensive Health Planning Program, the Regional Medical Programs Service, and the Hill-Burton program, all of which now overlap at the local level. They would coordinate the planning and activities of health care providers, third-party financing organizations, health educational institutions, and government within each area in order to promote high quality care for the public good. They would also advise on Federal health grants in the areas served to ensure consistency of such activities with regional plans.

DISTRIBUTION OF HEALTH MANPOWER

Our most important health care resource is health manpower. It is this resource upon which all else depends. Assuring that there are enough health professionals of the right kind available in the right place to provide the needed care is one of our most challenging health delivery problems.

The number of U.S. medical and osteopathic schools has grown from 92 in 1963 to 121 in 1974. Total enrollment increased 60 percent from 33,072 to 53,100 and graduates increased over 40 percent, from 7,631 to 10,900. These increases in health manpower encourage us to believe that the Nation's total supply of health professionals is becoming sufficient to meet our needs during the next decade. In fact, over-supply in the aggregate could possibly become a problem.

Without major alterations in either present enrollments in domestic schools

or immigration patterns of foreign-trained doctors, we estimate that the number of physicians by 1985 will approximate 500,000. This is an increase of at least 50 percent over 1970, and would be more than three times the expected growth rate of the U.S. population during the same period. Accordingly, the number of physicians per 100,000 population should increase from 159 in 1970 to as high as 217 in 1985.

Ironically, the increase in overall physician supply has not solved the problem of maldistribution. Some rural and inner city areas still lack a sufficient supply of general practitioners, and many areas lack certain medical specialists. We must now shift our attention away from a concern with aggregate numbers toward an emphasis on solving specific health manpower problems.

HEALTH MANPOWER INCENTIVES

We will soon submit legislation to the Congress designed to maintain present enrollments but also to gradually shift the method of support for medical education from general institutional operating subsidies to direct assistance to medical students through individual loans and scholarships. Funds provided directly to institutions will be targeted on special projects such as the production of more primary care physicians.

We shall also continue our ongoing efforts to expand the training and the effective use of physician assistants. Some 3,300 of these new health professionals are now being trained as a result of Federal initiatives. They are demonstrating that they can enable physicians to practice more efficiently and thereby extend their

skills to more patients. Their services would be reimbursable under our Comprehensive Health Insurance Plan.

Other measures that I have proposed would assure that qualified students would be able to receive training in health education institutions regardless of financial barriers. Under my proposed scholarship legislation, scholarships would be offered to any student who agrees to serve in programs or shortage areas of national need after graduation. I am also proposing to increase the upper limits on guaranteed loans. The loan guarantee program would provide larger annual loans to students with repayment deferred until after graduation. These would be particularly helpful to those seeking education in the health professions, but would be available in all fields. Loans for education costs are a particularly appropriate financing mechanism for health professionals who can look forward to exceptionally favorable lifetime earnings.

ENCOURAGING HEALTH MAINTENANCE ORGANIZATIONS

One of our major initiatives to improve the access to care is the encouragement of Health Maintenance Organizations. In certain instances, HMO's have proved their ability to deliver quality health care to people when and where they need it at prepaid premium rates. It may be possible to use this mechanism to extend health care services into underserved areas where individual health practitioners are unavailable.

Since 1970 we have been seeking direct authority to demonstrate the HMO concept more broadly. This past December 29, I signed legislation into law which

will stimulate the development of HMO's in many different settings.

I am requesting a total of \$125 million for 1974 and 1975 to begin this important new program. We expect to fund 170 HMO's during the life of this legislation. Our Comprehensive Health Insurance Plan would require employers to also offer HMO care where available, a provision that we believe will further promote HMO development.

We will use Federal funds to support feasibility and planning studies, to pay initial development costs, and to subsidize initial operating deficits of HMO's for the first three years. In addition, loan guarantees will be offered to profit-making HMO's in medically underserved areas for planning, initial development and initial operating deficits.

The HMO law I signed represents an important response to the challenge of finding better ways to improve health care for the American people. It will build on the partnership that already exists between the Federal and the private sector by allowing both the provider and the consumer of health services to exercise the widest possible freedom of choice.

HEALTH EDUCATION FOR ALL

Access to health care is also affected by the degree to which our citizens exercise their individual responsibility to maintain health, prevent serious illness, and properly use the health services which are available to them. By accepting this responsibility and acting wisely, they can prolong their lives and prevent much needless disease and disability. They can also make full and efficient use of the health services available to them.

Yet despite major efforts and investment of resources by governmental and private agencies, it is evident that the necessary knowledge is not reaching enough of our people and that many people who have access to that knowledge do not act upon it.

During the past year I received the report of a distinguished group of professional and civic leaders whom I had asked to recommend an action program to improve health education in the United States.

On the basis of the recommendations of this group we will establish an office of health education within the Department of Health, Education, and Welfare. This new organization will bring together and coordinate the existing fragmented health education efforts now underway in many health programs and agencies. It will also evaluate the approaches we now use in attempting to encourage people to lead healthier lives and will develop more effective educational techniques.

At the same time we will work with the private sector to develop a National Center for Health Education. While the Federal Government will assist in launching the center, we intend that it eventually be supported by private funds.

Potentially, these actions could sharply improve the effectiveness of health education through many channels, including our schools, mass media, neighborhood and community organizations and the health care system itself.

ASSURING QUALITY AND SAFETY

We are moving to improve the quality of our health care and consumer services on a number of fronts. Professional Stand-

ards Review Organizations will allow physicians to monitor and improve the quality of their own services. Health Maintenance Organizations hold promise for delivering quality care efficiently to great numbers of people, even those in rural areas. Demonstrating improved emergency medical systems can significantly improve the quality of care rendered in situations where minutes mean life or death.

But there are some elements of personal health care and management which are beyond the control of the individual and often beyond the influence of the health care system. One such area is protection against unsafe food, drugs, cosmetics and medical devices.

This year I have asked the Congress to appropriate \$200 million for the Food and Drug Administration, an increase of \$35 million. These added funds would allow the FDA to intensify its inspection activities and increase its research.

Furthermore, I again urge the Congress to take swift action on the legislation I proposed last year to regulate the sale of medical devices. This new authority is essential if we are to assure that new technology for the diagnosis and treatment of disease is both safe and effective.

Legislation recently submitted to the Congress would upgrade the quality of foods and drugs available to the American public. These amendments would:

—Broaden inspection authority.

—Broaden FDA's authority to inspect quality control records in food, drug, device and cosmetic factories.

—Authorize FDA to require needed record-keeping and reporting for foods, certain drugs, medical devices, and cosmetics.

—Require the labels of nonprescription drugs to show the quantity of all active ingredients.

—Authorize FDA to detain products suspected of being unsafe or contaminated.

FDA has also initiated a broad program for licensing, registering and inspecting blood banks. This extensive program should significantly reduce the chances of blood recipients contracting hepatitis.

IMPROVED CARE FOR THE AGED

In 1971 I launched a major new initiative to improve the quality of care in our nursing homes. Since then we have worked with State governments to improve their nursing home inspection efforts, and we have barred substandard facilities from participating in our Medicare and Medicaid programs. Yet many long-term care facilities in this country still do not meet accepted fire and safety standards. This situation must be corrected, and we are taking steps to improve it.

Last month the Department of Health, Education, and Welfare issued new standards to improve the quality of medical services in nursing homes caring for Medicare and Medicaid patients. Very soon, the Department will issue additional regulations to improve the medical services in these homes. As a Nation we can no longer tolerate the warehousing of our older citizens in unsanitary and unsafe facilities. They have given us much. In return they deserve quality care in their declining years that is second to none. Our efforts to expand our biomedical knowledge about diseases will, of course, improve the care that can be rendered in nursing homes.

MEDICAL RESEARCH

In addition to attacking problems of the delivery system as a means of improving our health care, we must also continue to support our basic scientific research. It is this work that will tomorrow yield the remedies to diseases that affect our people.

We will continue to give high priority to research in cancer and heart disease because these two diseases together account for more than half of all deaths each year. At the same time, however, we will not neglect research on aging, arthritis, neurological diseases, dental diseases, and other major health problems.

SEEKING A CURE FOR CANCER

Cancer, in its more than 100 forms, still constitutes one of the most devastating health problems confronting mankind. This year, the National Cancer Institute estimates that 655,000 Americans will develop cancer, and 335,000 will lose their lives from it. Three years ago in my State of the Union message I announced that the conquest of cancer was to be a new national goal. In December of 1971 I signed the National Cancer Act. Since that time, the National Cancer Institute and other institutes in the National Institutes of Health have accelerated the drive against cancer.

The intensified effort has two goals: First, the main effort is to stimulate the development of new knowledge by an intensive and coordinated research effort throughout all medical, biological, chemical and physical sciences. Secondly, we are seeking the most effective methods of disseminating across the Nation vital information on the prevention and treatment of cancer.

In 1971, appropriations for the National Cancer Institute were approximately \$233 million. For fiscal year 1975, I have asked the Congress to appropriate \$600 million.

We have made substantial progress in bringing the results of research as rapidly as possible to a maximum number of people. The latest advances in cancer therapy are being made widely available throughout the country for patients with leukemia, Hodgkin's disease and other lymphomas. We will assure that the newest and best cancer therapies will be available to the medical community. Major studies are underway at several institutions to detect lung cancer—the major cancer killer—at its earliest stages. In addition, the National Cancer Institute has pooled its resources with the American Cancer Society to open 20 demonstration centers for the early detection of breast cancer, the leading cause of death for American women in their reproductive years.

These are only a few of the important advances in our cancer program dedicated to informing and helping the people of America today, while continuing the search for causes, cures and means of preventing all cancers.

HEART DISEASE RESEARCH

The greatest single risk to health and life in the United States is heart disease. Collectively, heart, blood vessel, lung and blood disease affect more than 30 million Americans. High blood pressure is one of the most commonly encountered forms of heart and blood vessel disease, affecting an estimated 23 million adult Americans, or between 10 and 15 percent of the popu-

lation of the United States.

In my State of the Union message in 1972, I promised to give these diseases increased attention. Later that year I signed into law the National Heart, Blood Vessel, Lung and Blood Act of 1972. To implement that act, I have requested appropriations of \$309 million for fiscal year 1975, an increase of \$23 million over this year. Special emphasis will be placed on research to prevent heart attacks and high blood pressure. The programs in sickle cell disease will also be continued.

INTERNATIONAL HEALTH PROGRESS

We have long recognized that health problems are universal and that their solution requires international collaboration. We have been heavily involved with activities of the World Health Organization, and we have worked directly with many different countries. Among the most significant of these bilateral activities is our recent agreement with the Soviet Union.

The United States and the Soviet Union have enjoyed 16 years of fruitful relationships in the field of health. From 1958 until 1972, under a general exchange treaty between our State Department and the USSR Foreign Ministry, we have exchanged many of our best medical scientists.

Recently, HEW Secretary Caspar Weinberger, visited the Soviet Union as a guest of Soviet Health Minister Petrovsky. During his visit, he inaugurated a new Telex link between the Ministry of Health in Moscow and the Department of Health, Education, and Welfare here in Washington. This new "health line" provides the kind of direct communications neces-

sary for successful fulfillment of the program's goals and has been in daily use since its inauguration.

ELIMINATION OF SMALLPOX

Finally, I am pleased to report that one of the most successful efforts ever undertaken to improve world health will soon realize its goal—the global eradication of smallpox. This is an activity originally endorsed and consistently supported by the United States.

The Eighteenth World Health Assembly in 1965, at the initiative of the U.S. Delegation, adopted a resolution declaring worldwide eradication of smallpox a major World Health Organization objective. When the program began in 1966, 45 countries reported smallpox. At the end of 1973, this number had been reduced to 11. In 1966, smallpox was endemic in 25 countries. Today it is endemic in only four. In the Americas, where smallpox was a devastating disease for centuries, not a case has been reported since April 1971.

As a result of this global effort, the probability of contracting smallpox in the United States today is virtually nonexistent. There has not been a documented case of this disease in the United States since 1949.

Because of these dramatic results, our Public Health Service has decided that routine immunization of children should no longer be required.

CONCLUSION

The policies outlined in this message can make 1974 a pivotal year in the history of health care in the United States. By preserving all that is best in our traditional medical system, and by devising the fairest, most efficient means to deal with health challenges that lie ahead, we can strike a uniquely American balance that will preserve the independence and integrity of patient and health professional alike.

"Health," wrote Thomas Jefferson, nearly two centuries ago, "is the first requisite after morality." Today, as we approach our Bicentennial as a nation, we can lay the foundations for a balanced health care system that will convert the age-old ideal of high quality health care for all into a new American reality. I urge the Congress to act rapidly on the measures I am proposing to achieve the objective we all share.

RICHARD NIXON

The White House,

February 20, 1974.

NOTE: On the same day, the President met separately with Republican Congressional leaders and Secretary of Health, Education, and Welfare Caspar W. Weinberger to discuss the message.

The White House also released, on the same day, a fact sheet and the transcript of a news briefing on the message by Secretary Weinberger and Charles C. Edwards, Assistant Secretary for Health, Department of Health, Education, and Welfare.

56 Special Message to the Congress Proposing Legislation To Control Drug Trafficking. February 21, 1974

To the Congress of the United States:

One of the leading concerns of this Administration over the past five years has been the problem of drug abuse in America. In the 1960's, the number of heroin users increased substantially, reaching more than a half-million by 1971, and we saw an increase in the abuse of other narcotic and non-narcotic drugs.

With the cooperation of the Congress, and with the assistance of many foreign nations that were involved, we have undertaken a massive response to a problem which was assuming massive proportions. Our response has been balanced between rehabilitation for drug users, and strong enforcement against drug traffickers. It is compassionate, thorough and tough—and it has been highly effective.

REHABILITATION

In 1971, Federally-financed treatment programs for drug abuse were assisting 20,000 people. Today, these programs, linked with State and local drug abuse treatment programs have a capacity for helping more than 160,000 people.

In 1972, we had some 30,000 people on waiting lists for treatment of heroin addiction. Today, these waiting lists have been virtually eliminated. Those who formerly resorted to crime to support a drug habit because treatment was unavailable no longer have that excuse for their criminal activities. Those who want help can get that help.

There are those who need help but are unwilling to seek it. We are doing everything possible to encourage them to come

in out of the cold. As an incentive to those who are not motivated to seek help on their own, Federal agencies are increasing their support of local programs to provide treatment for addicts and abusers who become involved in the criminal justice system.

ENFORCEMENT

Federal drug investigation and intelligence responsibilities have been consolidated in the new Drug Enforcement Administration of the Justice Department to provide the strongest possible spearhead in the attack on America's number one public enemy.

International seizures of opiates have increased sharply in the last year. The number of Federal drug-related arrests has jumped from over 15,000 in fiscal year 1972 to almost 25,000 in fiscal year 1973.

The continuing heroin shortage in the East Coast is an encouraging sign of success in the effort to stem the flow of this dangerous drug into our country. I am informed that the price of a milligram of heroin in New York City has tripled in the past 24 months. The purity of that heroin which is available was reduced by almost half in the same period. While we cannot solve the drug problem without treating those who are addicted, the most important factor in seeking a solution will be continued reduction of illicit drug supplies. If we are to eliminate the supply of illicit drugs we must remove from our society those who deal in these drugs.

I am determined to maintain and increase the pressure on those who traffic

in human misery. Despite the very positive evidence that we are on the right track in removing the menace of drug abuse from our society, more remains to be done.

In my message to the Congress of June 17, 1971, requesting legislation for the present full-scale Federal offensive against drug abuse, I made it clear that there was much we did not know about this problem. I noted in that message that "it is impossible to say that the enforcement legislation I have asked for here will be conclusive—that we will not need further legislation. We cannot fully know at this time what further steps will be necessary. As those steps define themselves, we will be prepared to seek further legislation to take any action and every action necessary to wipe out the menace of drug addiction in America."

While our enforcement efforts are proving effective in finding drug traffickers, our system of criminal justice is not as effective in dealing with them after they are arrested. Justice Department studies show that more than a quarter of those who are convicted of narcotics trafficking do not serve a single day behind bars. These studies also indicate that nearly half of those arrested for drug trafficking may be continuing their criminal activities while out on bail. Further, because of the enormous sums of money involved in trafficking, a drug law violator finds it easier to post a high bail than do persons involved in other types of crime.

We have identified these loopholes in the criminal justice system, and now we must close them. I will submit shortly to the Congress legislative proposals which would increase the penalties for those who traffic in narcotics, provide mandatory minimum sentencing of narcotic

traffickers for first time offenses, and enable judges to deny bail, under certain conditions, pending trial.

NEW LEGISLATION AIMED AT DRUG TRAFFICKERS

The new penalties for narcotics trafficking would provide minimum Federal sentences of not less than three nor more than fifteen years for a first offense. It would provide not less than ten nor more than thirty years for a second offense. Additionally, the proposal would increase the maximum Federal penalty for illicit trafficking in other dangerous drugs from the present five years for a first offense to ten years; and for the second offense, the minimum penalty would be three years and the maximum penalty would be increased from ten to fifteen years.

This proposal would also enable judges to deny bail in the absence of compelling circumstances if a defendant arrested for trafficking dangerous drugs is found (1) to have previously been convicted of a drug felony, (2) to be presently free on parole, probation, or bail in connection with another felony, (3) to be a non-resident alien, (4) to have been arrested in possession of a false passport, or (5) to be a fugitive or previously convicted of having been a fugitive. The defendant must be brought to trial within 60 days or the matter of bail would be reopened, without regard to the earlier findings.

CONCLUSION

Drug abuse is a problem that we are solving in America. We have already turned the corner on heroin. But the task ahead will be long and difficult, and the closer we come to success, the more diffi-

cult the task will be. We can never afford to relax our vigilance and we must be willing to adjust our methods as experience tells us they should be adjusted.

We will continue to support treatment and rehabilitation of abusers with all the generosity and compassion which victims of drug abuse require.

But there can be no compassion for those who make others victims of their own greed. Drug traffickers must be dealt with harshly, and where the law is not sufficient to the task, we must provide new laws, and we must do so rapidly.

I urge the earliest possible consideration and passage of the legislation which I am proposing to strengthen our drug enforcement efforts by closing the loopholes in our criminal justice system.

RICHARD NIXON

The White House,

February 21, 1974.

NOTE: On the same day, the White House released a fact sheet and the transcript of a news briefing on the proposed legislation by John R. Bartels, Administrator of the Drug Enforcement Administration, Department of Justice.

57 Message to the Senate Transmitting the United States-Czechoslovak Consular Convention. *February 21, 1974*

To the Senate of the United States:

I am transmitting for the Senate's advice and consent to ratification the Consular Convention between the United States of America and the Czechoslovak Socialist Republic, along with the Agreed Memorandum and related exchange of notes, signed at Prague on July 9, 1973. I also am transmitting, for the information of the Senate, the report of the Department of State with respect to the Convention.

The signing of this Convention is a significant step in the gradual process of improving and broadening the relationship between the United States and Czechoslovakia. Consular relations between the two countries have not previously been the subject of a formal agreement. This Convention will establish firm

obligations on such important matters as free communication between a citizen and his consul, notification of consular offices of the arrest and detention of their citizens, and permission for visits by consuls to citizens who are under detention.

The people of the United States and Czechoslovakia enjoy a long tradition of friendship. I welcome the opportunity through this Consular Convention to improve the relations between our two countries. I urge the Senate to give the convention its prompt and favorable consideration.

RICHARD NIXON

The White House,

February 21, 1974.

NOTE: The text of the convention and accompanying papers are printed in Senate Executive A (93d Cong., 2d sess.).

58 Message to the Congress Transmitting Annual Report of
the National Endowment for the Humanities.

February 22, 1974

To the Congress of the United States:

I am pleased to transmit the Eighth Annual Report of the National Endowment for the Humanities for fiscal year 1973. Training in the humanities, history, literature, and philosophy, among other disciplines, guided those who shaped the American nation and its basic documents two hundred years ago. Now, as at the beginning of our history, the ongoing enrichment of the humanities is central to the solution of those problems which challenge a nation, young or old—problems which affect the quest for a life of quality by all its citizens.

The Federal Government recognized and affirmed the importance of the humanities nine years ago with the establishment of the National Foundation on the Arts and the Humanities. It reaffirmed

that importance last year with legislation extending the Foundation for another three years.

As the National Endowment for the Humanities has grown it has increasingly attracted gifts from individuals, corporations, and foundations. I am happy to note that these, for the fourth year in a row, have more than matched Federal funds appropriated for that purpose. Such public confidence in the Humanities Endowment and its work more than justifies the strong support the Endowment has received from both the legislative and executive branches and augurs well for the future development of the humanities in this country.

RICHARD NIXON

The White House,
February 22, 1974.

59 Radio Address About the American Right of Privacy.

February 23, 1974

Good afternoon:

Over the years, historians and philosophers have continually debated about the roots of American greatness. There are almost as many theories as there have been scholars, but a single theme recurs again and again. It is the theme of individual dignity and individual rights—an ideal that permeates the Constitution's Bill of Rights and has been a fundamental part of American life since the founding of our Nation.

Generation after generation, we find

America's best minds and greatest leaders emphasizing the need to protect the rights of the individual. In the Federalist Papers, James Madison said that the twin duties of enlightened government were "to secure the public good" and to secure "private rights." In our own time, President Eisenhower reaffirmed that ideal. He said, "The supreme belief of our society is in the dignity and freedom of the individual."

In James Madison's day, the American Revolution was fought to establish a new

nation based on this principle. By the time Dwight Eisenhower was President, America had passed through a tragic civil war and two bloody World Wars fought in defense of the same principle. But it is not on the battlefield alone that individual liberties are threatened and must be defended. In peace as well as in war, social, economic, political, and technological forces are constantly at work that can either help or hinder the individual American's quest for "life, liberty and the pursuit of happiness."

Many things are necessary to lead a full, free life—good health, economic and educational opportunity, and a fair break in the marketplace, to name a few. But none of these is more important than the most basic of all individual rights, the right to privacy. A system that fails to respect its citizens' right to privacy fails to respect the citizens themselves.

There are, of course, many facts which modern government must know in order to function. As a result, a vast store of personal data has been built up over the years. With the advent of the computer in the 1960's, this data gathering process has become a big business in the United States—over \$20 billion a year—and the names of over 150 million Americans are now in computer banks scattered across the country.

At no time in the past has our Government known so much about so many of its individual citizens. This new knowledge brings with it an awesome potential for harm as well as good—and an equally awesome responsibility on those who have that knowledge. Though well-intentioned, Government bureaucracies seem to thrive on collecting additional information. That information is now stored in over 7,000 Government computers. Collection of new

information will always be necessary. But there must also be reasonable limits on what is collected and how it is used.

The same process has been at work in the private sector where computers and modern data technology have placed vast quantities of personal information in the hands of bankers, employers, charitable organizations, and credit agencies.

On the positive side, the availability of this information serves us all in many important ways.

Without computer technology, it would, for example, be almost impossible to process and deliver 27 million social security checks every month, to send out veterans benefits, to ensure that Medicare payments are properly made.

Law enforcement agencies would not and could not combat new and sophisticated criminal activities without the use of the latest technical developments in the data field, whether in helping to trace stolen goods or in helping to track down and identify criminals.

In the private sector, the banking industry could not even start to cope with the vast volume of personal checks which are issued and cashed daily without using computer technology.

No modern industrial society can survive without computers and data processing—and especially a society with high living standards and even higher expectations such as ours.

Many of the good things in life that Americans take for granted would be impossible, or impossibly high-priced, without data retrieval systems and computer technology. But until the day comes when science finds a way of installing a conscience in every computer, we must develop human, personal safeguards that prevent computers from becoming huge,

mechanical, impersonal robots that deprive us of our essential liberties.

Here is the heart of the matter: What a person earns, what he owes, what he gives to his church or to his charity is his own personal business and should not be spread around without his consent. When personal information is given or obtained for one purpose, such as a loan or credit at a store, it should not be secretly used by anyone for any other purpose.

To use James Madison's terms, in pursuing the overall public good, we must make sure that we also protect the individual's private rights. There is ample evidence that at the present time this is not being adequately done. In too many cases, unrestricted or improper use of personal information is being made.

In some instances, the information itself is inaccurate and has resulted in the withholding of credit or jobs from deserving individuals. In other cases, obsolete information has been used, such as arrest records which have not been updated to show that the charges made against an individual were subsequently dropped or the person found innocent. In many cases, the citizen is not even aware of what information is held on record, and if he wants to find out, he either has nowhere to turn or else he does not know where to turn.

Whether such information is provided and used by the government or the private sector, the injury to the individual is the same. His right to privacy has been seriously damaged. So we find that this happens sometimes beyond the point of repair. Frequently, the side effect is financial damage, but it sometimes goes further. Careers have been ruined, marriages have been wrecked, reputations built up

over a lifetime have been destroyed by the misuse or abuse of data technology in both private and public hands.

It is clear, as one Government study has concluded, that "it is becoming much easier for recordkeeping systems to affect people than for people to affect record-keeping systems." Fortunately, more and more people are becoming aware of this growing threat.

The Fair Credit Reporting Act of 1970, which I signed into law, took a major first step toward protecting the victims of erroneous or outdated information. It requires that an individual be notified when any adverse action, such as denial of credit, insurance, or employment, is taken on the basis of a report from consumer-reporting agencies. It also provides citizens with a method of correcting these reports when they do contain erroneous information.

Many public and private statistical organizations which collect personal data have shown an awareness of their own responsibility to prevent unfair disclosure and to eliminate inaccurate or obsolete information.

Earlier this month, Attorney General Saxbe proposed legislation to the Congress which would establish rules governing the collection and use of criminal justice information, and the Congress itself has conducted extensive hearings into the uses and the abuses of data banks, credit bureaus, and personal records.

All of this is action in the right direction, but we must go further and we must move quickly.

What was once a minor problem affecting only a small number of people has now become a national problem that could potentially affect every American

with a charge account, a service or personnel record, a credit card, a social security number, a mortgage, or an appliance or automobile bought on time. In short, data banks affect nearly every man, woman, and child in the United States today.

To meet a challenge of these dimensions, we need more than just another investigation and just another series of reports. We need action. That is why I am today establishing in the White House a top priority Domestic Council Committee on the Right of Privacy. This will not just be another research group. It will be a panel of some of the most able men and women in the Government, and it will be primed for high-level action.

It will be chaired by Vice President Ford. It will include the Attorney General and five other Cabinet members—the Secretaries of the Treasury, Defense, Commerce, Labor, and Health, Education, and Welfare—along with the Chairman of the Civil Service Commission, the Director of the Office of Management and Budget, the Director of the Office of Consumer Affairs, and the Director of the Office of Telecommunications Policy.

This is no ordinary group, and the task I have set for it is no ordinary task.

This Privacy Committee will build on the fine work that other groups have already carried out, and I will see to it that it is supported by the best talent available in determining the views of representatives from the legislative branch, the judicial branch, and the private sector, including our colleges and universities.

I am asking the members to examine three key areas of concern: collection, storage, and use of personal data. Specifically, the committee will examine:

- How the Federal Government collects information on people and how that information is protected;
- Procedures which would permit citizens to inspect and correct information held by public or private organizations;
- Regulations of the use and dissemination of mailing lists;
- And most importantly, ways that we can safeguard personal information against improper alteration or disclosure.

All of this will require extensive work by the Committee, but it is only the first half of the job.

Once the information and views of all parties concerned have been thoroughly aired, the Committee will be responsible for developing a comprehensive series of specific recommendations for action. I want that action to provide a personal shield for every American, which he can use to protect his right to privacy.

I am directing this blue-ribbon panel, within 4 months, to begin providing a series of direct, enforceable measures—including regulations, executive actions, policy changes, legislation where necessary, and voluntary restraints—all of which we can immediately begin to put into effect.

Advanced technology has created new opportunities for America as a nation, but it has also created the possibility for new abuses of the individual American citizen. Adequate safeguards must always stand watch so that man remains the master—and never becomes the victim—of the computer.

In the first half of this century, Mr. Justice Brandeis called privacy the “right most valued by civilized men.” In the

last half of this century, we must also make it the right that is most protected.

Thank you and good afternoon.

NOTE: The President spoke at 2:07 p.m. from a room adjoining the Oval Office at the White

House. The address was broadcast live on nationwide radio.

An advance text of the address and a fact sheet on Government initiatives and proposals on the subject of privacy were released on the same day.

60 Statement About the Death of Former Senator William F. Knowland. *February 25, 1974*

IT WAS with a deep sense of personal loss that I learned of the tragic death of former Senator William F. Knowland.

Bill Knowland was a man of boundless energy and integrity, and I consider it an honor to have served with him in the United States Senate. As Republican leader in the Senate, and as a distinguished California newspaperman and community leader, Bill Knowland always put patriotism and principle first.

His loss will be particularly felt by all those who had the privilege of knowing and working with him. Mrs. Nixon and I extend our deepest sympathy to his family in their bereavement.

NOTE: Mr. Knowland, 65, died in Monte Rio, Calif., on February 23, 1974.

He was publisher and editor of the Oakland Tribune and served in the United States Senate from 1945 to 1958.

61 The President's News Conference of *February 25, 1974*

THE ENERGY SITUATION

THE PRESIDENT. [I.] Ladies and gentlemen, before going to your questions, I have a brief report on the energy situation, the progress we have made to date, and also the problems that we have in the future.

You will recall that last October when we saw the energy crisis developing as a result of the embargo and other matters, that there were dire predictions that we would have problems with home heating oil and, even, fuel to run our factories.

As a result of the cooperation of the American people—and they deserve most of the credit—and also the management on the part of Mr. Simon and his organization, we have now passed through that

crisis. The home fuel oil, as far as it is concerned, as we know, has been furnished; no one has suffered as a result. And as far as our plants are concerned, all have had the fuel that is required to keep the plants going.

The major problem that remains is one that was brought home to me when I talked to one of the soundmen before coming in. I asked him if he was having any trouble getting gas. He said, "Yes, when I went to the service station this morning, they wouldn't give me any because my gage was wrong. They thought that I had more than half a tank. Actually, I had zero in the tank."

I have seen this problem as I have driven around in the Miami area and also in the Washington area—the gas

lines, the fact, too, that in the Eastern States generally we do have a problem of shortage of gasoline, which has been, of course, very difficult for many people going to work, going to school, or what have you.

Mr. Simon last week, as you know, at my direction allocated additional gasoline for these particular areas, and he is prepared to take more action in the future to deal with this problem.

As far as the entire situation is concerned, I am able to report tonight that as a result of the cooperation of the American people, as a result, too, of our own energy conservation program within the Government, that I now believe confidently that there is much better than an even chance that there will be no need for gas rationing in the United States.

As far as that is concerned, however, I should point out that while the crisis has passed, the problem still remains, and it is a very serious one.

And having reported somewhat positively up to this point, let me point out some of the negative situations that we confront.

One has to do with the Congress. The Congress, of course, is working hard on this problem, but I regret to say that the bill presently before the Congress is one that if it reaches my desk in its present form, I will have to veto it.

I will have to veto it, because what it does is simply to manage the shortage rather than to deal with the real problem and what should be our real goal, and that is to get rid of the shortage.

For example, there is a provision in the bill, the present bill, that provides for a rollback of prices. Now this, of course, would be immediately popular, but it

would mean, if we did have such a rollback, that we would not only have more and longer gas lines, but a rollback of prices would lead to shortages which would require, without question, rationing all over the country.

That would mean 17,000 to 20,000 more Federal bureaucrats to run the system at a cost of \$1½ billion a year. And this we should avoid. This we can avoid.

And that is why I again urge the Congress to act responsibly on the measures that we have presented to the Congress to deal with the problem of price and profits through the windfall profits measure that we have submitted and to deal with the problem of gas shortage overall by getting more supplies, and that means the deregulation of natural gas so that it is competitive as far as price is concerned; the amendment of some of our environmental actions so that we can use more coal and thereby take some of the pressure off of the demands for gasoline and other fuels; the deepwater ports; and the other measures that I have mentioned on many occasions to the Nation and also before members of the press.

Looking to the future, I believe, we can say now that while the crisis has been passed, the problem remains. It is a serious problem, but it is one that can be dealt with. And our goal of becoming completely independent in energy, independent of any foreign source, is one that we can achieve, but it will require the continued cooperation of the American people, which I am sure we will get, and responsible action by the Congress, action directed not simply toward distributing a shortage and making it worse, but action which will increase supplies and thereby get rid of the shortage.

QUESTIONS

IMPEACHMENT INVESTIGATION

[2.] Miss Thomas [Helen Thomas, United Press International], I think you are number one tonight.

Q. Mr. President, to heal the divisions in this country, would you be willing to waive executive privilege to give the Judiciary Committee what it says it needs to end any question of your involvement in Watergate?

THE PRESIDENT. Miss Thomas, as you know, the matter of the Judiciary Committee's investigation is now being discussed by White House Counsel, Mr. [James D.] St. Clair, and Mr. Doar.¹ And as I indicated in my State of the Union Address, I am prepared to cooperate with the committee in any way consistent with my constitutional responsibility to defend the Office of the Presidency against any action which would weaken that office and the ability of future Presidents to carry out the great responsibilities that any President will have.

Mr. Doar is conducting those negotiations with Mr. St. Clair, and whatever is eventually arranged, which will bring a prompt resolution of this matter, I will cooperate in.

INFLATION

[3.] Q. Mr. President, John Dunlop, the price controller, has said, "I don't think we know how to restrain inflation." How confident are you that in the latter half of the year we can restrain inflation?

THE PRESIDENT. Mr. Cormier [Frank Cormier, Associated Press], the problem

of inflation is still a very nagging one. The last figures, as you know, the one percent increase in one month of the consumer price index, was a very troublesome one.

Looking to the future, we are keenly aware of this problem, and we are preparing to deal with it.

First, we believe that it is vitally important to get at the source of the problem. One is in the field of energy. The way to get at the source of the problem in the field of energy is to increase supplies. I have already directed my comments to that point.

The other is in the field of food, and in the field of food we have the same objective—to increase supplies. And Secretary Butz indicates to me and to other members of the Cabinet and the Cost of Living Council that he expects that our supplies, through the balance of this year, of food will go up and that that will have a restraining influence as far as food costs are concerned.

With regard to inflation, I should point out, too, that almost two-thirds of the price increase, the increase in prices last year, which was at a very high rate, was due to energy and also to the problem of food.

By getting at these two problems and by continuing our Cost of Living Council activities in the areas that Secretary Shultz has testified to, I believe that we will bring inflation under control as the year goes on. But I would not underestimate the problem.

We are going to continue to fight it. It is going to have to take responsibility on the part of the Congress to keep the budget within the limits that we have laid out. It is also going to take an effort on the part of our farmers, an effort on the part of the Administration in the field of

¹ John M. Doar was special counsel to the House Judiciary Committee.

energy and the rest, so that we can get the supplies up, because the answer to higher prices is not simply controls. Controls have been tried, and controls have been found wanting. The answer to higher prices is to get up the supplies. That will bring the price down.

IMPEACHMENT INQUIRY

[4.] Q. Mr. President, to follow up Miss Thomas' question, you say you will cooperate with the Judiciary Committee, but you can't say yet precisely to what extent. Can you tell us if you anticipate you will be able to cooperate at least to the extent you cooperated with Mr. Jaworski in terms of turning over to the Judiciary Committee roughly the same tapes and documents that Mr. Jaworski has? ²

THE PRESIDENT. Well, this is a matter, Mr. Jarriel [Tom Jarriel, ABC News], that has been discussed by Mr. St. Clair with Mr. Doar, and the decision will be made, based on what arrangements are developed between the two for the confidentiality of those particular items where they must remain confidential and also based on whether or not turning over to the committee will, in any way, jeopardize the rights of defendants or impair the ability of the prosecution to carry on its proper functions in the cases that may develop. It is a matter that we are talking about, and it is a matter where we will be cooperative within those guidelines.

² On February 15, 1974, the White House released a statement by James D. St. Clair summarizing the steps taken by the Administration to cooperate with the Special Prosecutor. The statement, released at Key Biscayne, Fla., is printed in the *Weekly Compilation of Presidential Documents* (vol. 10, p. 214).

DEFINITION OF IMPEACHABLE OFFENSE

[5.] Q. Mr. President, may I follow on to my colleague's question and also to Miss Thomas' question. Within the past week or 10 days, the House Judiciary Committee and the Justice Department have issued differing interpretations of what, by constitutional definition, is an impeachable offense for a President.

Now, as we all know, you are an experienced student of the Constitution, and I think people would be interested to know what you consider to be an impeachable offense for a President, particularly on the dividing line, whether it requires that the House determine that they believe that the President may have committed a crime or whether dereliction of duty, not upholding the Constitution, is enough in itself to constitute an impeachable offense?

THE PRESIDENT. Well, Mr. Rather [Dan Rather, CBS News], you don't have to be a constitutional lawyer to know that the Constitution is very precise in defining what is an impeachable offense. And in this respect it is the opinion of White House Counsel and a number of other constitutional lawyers, who are perhaps more up-to-date on this than I am at this time, that a criminal offense on the part of the President is the requirement for impeachment.

This is a matter which will be presented, however, to the committee by Mr. St. Clair in a brief which he presently is preparing.³

³ On February 28, 1974, the White House issued the text of a 61-page document submitted to the House Judiciary Committee entitled "An Analysis of the Constitutional Standards for Impeachment." The text is printed in the *Weekly Compilation of Presidential Documents* (vol. 10, p. 270).

SUPPLY AND PRICE OF GASOLINE

[6.] Q. Mr. President, I would like to follow up on your discussion of the energy situation. When you said that the crisis is ended, that the problem is still with us, I think for most people the problem is waiting for a long time in line for gasoline, and another part of it is the price of gasoline going up, as it has been.

What can you tell the American people about when lines for gasoline may become shorter under your program, and what do you see in terms of the future of the price of gasoline?

THE PRESIDENT. I believe that the lines for gasoline will become shorter in the spring and summer months. In fact, that is the purpose of our program, and I think we will achieve it.

As far as the price of gasoline is concerned, I would be less than candid if I were not to say that the price of gasoline is not going to go down until more supplies of gasoline come into the country and also until other fuels come on stream which will reduce the pressure which is upward on the price of gasoline.

Obviously, too, when the embargo is lifted, that is and will have some effect on the price of gasoline.

OIL EMBARGO

[7.] Q. Mr. President, when do you think the embargo might be lifted?

THE PRESIDENT. The embargo question is one that I know is on the minds of all of us, and it is one that presently is under consideration, as you know, by the oil-producing countries.

I should point out here that Dr. Kissinger's trip to the Mideast is directed toward getting a disengagement or getting

talks started with regard to a disengagement on the Syrian front. That, following on the disengagement on the Egyptian front, I think, will have a positive effect, although it is not linked to the problem of the embargo directly.

If I could perhaps elaborate just a bit on that: As far as the oil-producing countries are concerned we believe it is in their interest to lift the embargo. They should do that independently of what happens on the front of the negotiation with regard to developing a permanent peace in the Mideast.

As far as we are concerned, we believe that getting a permanent peace in the Mideast is a goal worth achieving, apart from the embargo.

But while they are not conditioned on one another by either party, what happens in one area inevitably affects what happens in the other. And I can say, based on the conversations I have had with the foreign ministers I met with last week and based on the reports I have received to date, I believe we are going to make continued progress on the peace front. I believe that will be helpful in bringing progress on getting the embargo lifted.

By the same token, if the embargo is not lifted, it will naturally slow down the efforts that we are making on the peace front. And it is because I believe that we are going to make progress in developing those particular items that are essential towards movement toward a permanent peace in the Mideast that the oil-producing countries will conclude that they should move on the embargo front.

PRESIDENTIAL TESTIMONY

[8.] Q. Mr. President, has the Special Prosecutor requested your testimony in

any form, and if asked, would you testify?

THE PRESIDENT. Well, I believe it is a matter of record that the Special Prosecutor transmitted a request that I testify before the grand jury, and on constitutional grounds, I respectfully declined to do so.

I did offer, of course, to respond to any interrogatories that the Special Prosecutor might want to submit or to meet with him personally and answer questions, and he indicated that he did not want to proceed in that way.

SENATE IMPEACHMENT TRIAL

[9.] Q. Mr. President, however an impeachable offense is defined, under the system, the impeachment proceeding is the courtroom of the President. You have said many times that these matters belong in the courts. So, wouldn't it be in your best interests and in the best interest of the country to have this matter finally resolved in a proper judicial forum, that is, a full impeachment trial in the Senate?

THE PRESIDENT. Well, a full impeachment trial in the Senate, under our Constitution, comes only when the House determines that there is an impeachable offense. It is my belief that the House, after it conducts its inquiry, will not reach that determination. I do not expect to be impeached.

THE SHAH OF IRAN AND THE OIL EMBARGO

[10.] Q. Mr. President, the Shah of Iran said in an interview that the United States is getting as much oil now as it did before the embargo, and Mr. Simon of the Federal Energy Office said that such a statement is irresponsible and reckless. Can you straighten us out? Are we

getting as much oil, and why would the Shah say this?

THE PRESIDENT. First, I would not say that the Shah was irresponsible and reckless. However, his information, I think, is different from ours, and we have good reason to know what we are getting.

We are getting substantially less from the oil-producing countries in the Mideast than we were before the embargo. That is why we are, of course, very anxious to get the embargo lifted as soon as possible.

ECONOMIC OUTLOOK

[11.] Q. Mr. President, you have told the American people that there will be no recession this year. If the unemployment rate should go above 5½ percent of the labor force, what do you plan to do about this as an antirecession move, and would that include a tax cut?

THE PRESIDENT. With regard to my statement that there will be no recession, I have met with my economic advisers just last week. I went over this question in great detail.

We are going through what I would say is a downturn in the economy at this point, but not a recession. And for the balance of the year, the prospects are good. They are good, because we are going to be dealing with the energy crisis—what was a crisis—as a problem. That will be helpful.

We expect to have an increase insofar as food is concerned, and as far as other elements of the economy are concerned, there are very great areas of strength. The last half of the year we expect to be on an upward curve rather than the down curve.

However, those are projections made by economists, and I gave directions to the Office of Management and Budget, Mr.

Ash, and to our economic advisers that we will be and should be prepared to deal effectively with any areas of the country—and there may be spot areas of hardship—through the budget means, and we have various contingency plans ready to go.

We will not stand by and allow this country—because of the energy crisis and because of some of the problems we have had on the inflation front—stand by and allow a recession to occur. That is why I have been so positive in saying that there will be no recession.

I had better turn this way.

VETERANS BENEFITS

[12.] Q. Mr. President, sir, I want to ask you something. I think you are not—

THE PRESIDENT [to Sarah McClendon, McClendon News Service]. You have the loudest voice, you go right ahead.

Q. Good, thank you, sir. I don't think you are fully informed about some of the things that are happening in the Government in a domestic way. I am sure it is not your fault, but maybe the people that you appointed to office aren't giving you right information.

For example, I have just discovered that the Veterans Administration has absolutely no means of telling precisely what is the national problem regarding the payments of checks to boys going to school under GI bill, and many a young man in this country is being disillusioned totally by his Government these days because of the hardships being put upon him.

THE PRESIDENT. Well, this is a question which you very properly bring to the attention of the Nation. It is a question

that has already been brought to my attention, I am sure, by a number of people—

Q. But, sir, you had Mr.—

THE PRESIDENT.—and the question—if I may give the answer now—is very simply this. Mr. Don Johnson of the Veterans Administration, as you know, acted expeditiously when we had a case in California. We have another one in Illinois at the present time.

There are great numbers of veterans. We have an adequate program to deal with it, and I can assure you that when any matter is brought to my attention or to his, we will deal with it as quickly as we can, because our Vietnam veterans and all veterans deserve whatever the law provides for them, and I will see that they get it.

Q. He is the very man I am talking about who is not giving you the correct information. He stood up here at the White House the other day and gave us false information. He has no real system for getting at the statistics on this problem.

THE PRESIDENT. Well, if he isn't listening to this program, I will report to him just what you said. [Laughter]

He may have heard even though he wasn't listening to the program. [Laughter]

REPUBLICAN CANDIDATES AND THE 1974 ELECTIONS

[13.] Q. Mr. President, this is a political question.

THE PRESIDENT. The others weren't political? [Laughter]

Q. Jerry Ford's old House seat was won by a Democrat who campaigned mainly on the theme that you should be removed or impeached or that you should resign.

What advice could you give Republican candidates this year to counter that argument?

THE PRESIDENT. First, I want Republican candidates to win where they are deserving candidates. And second, I recall the year 1948 when we confidently expected to gain in the House and when Mr. Fulbright, as you may recall, called for President Truman's resignation in the spring because the economy was in a slump and President Truman had other problems, and we proceeded to campaign against Mr. Truman. He was the issue. And we took a bad licking in the Congress in 1948.

What my advice to the candidates very simply would be is this: It is that 9 months before an election, no one can predict what can happen in this country. What will affect the election in this year 1974 is what always affects elections—peace and prosperity.

On the peace front, we are doing well, and I think we will continue to do well. With regard to the prosperity issue, the bread and butter issue, as I have already indicated, I think that this economy is going to be moving up.

I think, therefore, it will be a good year for those candidates who stand for the Administration.

THE PRESIDENT'S INCOME TAXES

[14.] Q. Mr. President, as you prepare to sign your income tax returns for this year, do you intend to pay State or local income taxes, and have you had any second thoughts about your claimed deduction for the gift of the Vice Presidential papers?

THE PRESIDENT. With regard to any

State taxes or concern, I will pay any that the law requires. As I understand, in California a ruling has been made, apparently, that even though I have a residence in California that there is not a requirement that I pay California taxes.

I would be glad to pay those taxes and, of course, deduct that from my Federal income tax liability as others can do if they desire to do so.

With regard to the gift of papers that I made to the Government, there is no question about my intent. All of my Vice Presidential papers were delivered to the Archives in March, 4 months before the deadline. The paperwork on it apparently was not concluded until after that time.

This raises a legal question as to whether or not the deduction, therefore, is proper. That is why I voluntarily asked the Senate control committee of the House and Senate to look into the matter and to advise me as to whether or not the deduction was a proper one. If it was not a proper one, I, of course, will be glad to pay the tax.

ALEXANDER SOLZHENITSYN AND DÉTENTE

[15.] Mr. Healy [Paul F. Healy, New York Daily News].

Q. Mr. President, what is your personal reaction to the expulsion by the Soviet Union of Alexander Solzhenitsyn, and will it any way affect our policy of détente?

THE PRESIDENT. Well, my personal reaction is that I am, of course, an admirer of a man who has won a Nobel Prize for literature and one who has also shown, as he has shown, such great courage.

Second, as far as our relations with the Soviets are concerned, if I thought that

breaking relations with the Soviets or turning off our policy of negotiation and turning back to confrontation would help him or help thousands of others like him in the Soviet Union, we might do that.

On the other hand, I look back to the years of confrontation, and I find that men like him, as a matter of fact, rather than being sent to Paris, would have been sent to Siberia or probably worse.

As far as our relations with the Soviets are concerned, we shall continue. We shall continue to negotiate, recognizing that they don't like our system or approve of it and I don't like their system or approve of it. Mr. Brezhnev knows that, and I know it, and we have discussed it quite bluntly and directly.

However, it is essential that both nations, being the super powers that we are, continue to make progress toward limiting arms, toward avoiding confrontations which might explode into war, as it might have in the Mideast if we had not had this period of negotiation, and also continuing those negotiations for reduction of forces in Europe and reduction of arms, or certainly the limitation of arms, and the various other initiatives that we are undertaking with the Soviets.

In a nutshell, this is what we have to consider: Do we want to go back to a period when the United States and the Soviet Union, the two great super powers, stood in confrontation against each other and risk a runaway nuclear arms race and also crisis in Berlin, in the Mideast, even again in Southeast Asia or other places of the world, or do we want to continue on a path in which we recognize our differences but try to recognize also the fact that we must either live together or we will all die together?

RESIGNATION AND THE 1974 ELECTIONS

[16.] Q. Mr. President, you have said on many occasions that you would not resign from the office to which you were elected, but what if within the next few months it became evident that your party was going to suffer a disastrous defeat in this year's elections. Would you then reconsider your resolve on this?

THE PRESIDENT. No. I want my party to succeed, but more important, I want the Presidency to survive. And it is vitally important in this Nation that the Presidency of the United States not be hostage to what happens to the popularity of a President at one time or another. The stability of this office, the ability of the President to continue to govern, the ability, for example, of this President to continue the great initiatives which have led to a more peaceful world than we have had for a generation, and to move on the domestic front in the many areas that I have described, all of these things, these goals, are yet before us.

We have a lot of work left to do, more than 3 years left to do, and I am going to stay here until I get it done.

INSPECTION OF INCOME TAX RETURNS BY GOVERNMENT DEPARTMENTS

[17.] Q. Mr. President, you have made a very strong defense on the confidentiality of Presidential documents and other matters, and you have launched a program to protect the privacy of citizens of the United States.

In light of this, would you explain how you happened to issue an Executive order [11697] last year, once modified, to allow the Agriculture Department to examine

key points of individual income tax returns of America's 3 million farmers and a Justice Department advisory opinion saying that this Executive order should serve as a model for all the Federal Government departments?

THE PRESIDENT. Well, as a matter of fact, in the privacy message [address], which, as you know, I issued on Saturday, I did not raise this question specifically, but certainly I want that question, along with others, considered. Because in this whole area of privacy, it isn't just a question of those who run credit bureaus and banks and others with their huge computers, but the Federal Government itself, in its activities, can very much impinge on the privacy of individuals.

This is a matter that I think should be considered by the Commission that I have appointed, which is chaired, as you know, by the Vice President.

POLITICAL CONTRIBUTIONS AND AMBASSADORIAL APPOINTMENTS

[18.] Q. Thank you, Mr. President. Your personal lawyer, Mr. Herb Kalmbach, entered a plea of guilty today to a criminal charge of accepting \$100,000 in exchange for an ambassadorial post. In your capacity as President you approve of ambassadors and send the nominations to the Senate. Were you consulted in any manner on this engagement and this contribution by Mr. Kalmbach or anyone else in the White House, and have you done any research on this in the White House to determine who is responsible for it?

THE PRESIDENT. The answer to the first question is no; the answer to the second question is yes. And I would go further and say that ambassadorships have

not been for sale, to my knowledge, ambassadorships cannot be purchased, and I would not approve an ambassadorship unless the man or woman was qualified, clearly apart from any contributions.

FORMER VICE PRESIDENT AGNEW

[19.] Q. Mr. President, at our last meeting we were remiss in asking you for your reaction to the resignation of Vice President Agnew, and so, for the sake of filling in that hiatus in the record, I would ask you if you believe that the conduct of the Vice President, and particularly his conduct surrounding and leading up to his resignation, in fact brought dishonor upon his office, this Administration, and the country?

THE PRESIDENT. It would be very easy for me to jump on the Vice President when he is down. I can only say that in his period of service that he rendered dedicated service in all of the assignments that I gave to him.

He went through, along with his family, a terribly difficult situation, and he resigned, as I think he thought he should, because of the embarrassment that he knew that would cause to the Administration and also because he felt that in view of the criminal offense that was charged that he should not stay in office. Now at this point, I am not going to join anybody else in kicking him when he is down.

TAX DEDUCTION FOR VICE PRESIDENTIAL PAPERS

[20.] Q. Mr. President, thank you very much. To follow on an earlier question about taxes, April 21, 1969, was a significant day for you in taxes and for the

country, too. That is the notary date on the deed that allowed you to give your papers to the Government and pay just token taxes for 2 years. On that same date, you had a tax reform message in which you said, and I quote: Special preferences in the law permit far too many Americans to pay less than their fair share of taxes. Too many others bear too much of the tax burden.

Now, Mr. President, do you think you paid your fair share of taxes?

THE PRESIDENT. Well, I would point out that those who made deductions, such as I made in this particular instance, included John Kenneth Galbraith, Jerome Wiesner, Vice President Humphrey, President Johnson, a number of others.⁴ I did not write that law. When it was brought to my attention, rather vigorously by President Johnson when I saw him shortly after my election, he thought that it would be wise for me to give my papers to the Government and take the proper deduction.

I did that. Under the circumstances, as

⁴ At his news conference on February 26, 1974, Deputy Press Secretary Gerald L. Warren stated: "The information that Mr. Wiesner had donated certain papers was reported in December by wire services and others, and apparently Mr. Wiesner did not take a deduction of the value of those papers. . . . The President certainly regrets the mention of Mr. Wiesner."

Mr. Wiesner was president of the Massachusetts Institute of Technology and Mr. Galbraith was a professor of economics at Harvard University.

you know now, that deduction is no longer allowed. As far as I am concerned, I think that was probably a proper decision.

OIL EMBARGO

[21.] Mr. Lisagor [Peter Lisagor, Chicago Daily News] is next.

Q. In your State of the Union Address, you mentioned that Arab leaders had assured you that they were calling an urgent meeting to discuss or consider the lifting of the embargo. Were you misled by the Arab leaders or what happened to that meeting?

THE PRESIDENT. Mr. Lisagor, we were informed that they were calling an urgent meeting. We expected that to take place on the 14th of February, but the Arab leaders, as you know, are not a united group necessarily, and that is an understatement. Under the circumstances, while the Arab leaders who had given us this assurance tried to go forward with the meeting, they were unable to get the cooperation of others.

I believe now, however, that they will get that cooperation, that the meeting will be held, and I believe that they will lift the embargo.

MR. CORMIER. Thank you, Mr. President.

NOTE: President Nixon's thirty-sixth news conference was held at 7:30 p.m. in the East Room at the White House on Monday, February 25, 1974. It was broadcast live on nationwide radio and television.

62 Remarks on Signing a Proclamation Honoring Vietnam Veterans. *February 26, 1974*

THIS PROCLAMATION that I am now signing, all of the Members of the House and the Senate who have sponsored it are aware of it. The members of the press and perhaps the Nation are not aware of why we have a proclamation designating March 29 as Vietnam Veterans Day.

That is the day that the last American combat soldier left Vietnam, the day, therefore, that marks the final conclusion of America's longest and, without question, its most difficult war.

It seems to me appropriate that in signing this proclamation that reference be made to those who fought in that war, those who served in that war, why they fought, and why their service was not only in the interest of the country but in the highest tradition of service to the United States of America, as far as the wars in which we have been engaged throughout our history, wars which, we trust, we will not have to be engaged in in the future if our foreign policy is as successful as we hope to make it.

I know that there are some who quarrel with the phrase that I have often used, that our men in Vietnam and those who served in the Armed Forces finally achieved what many thought was impossible—peace with honor.

I do not use this phrase in any jingoistic sense. I use it, because when I consider the alternative, I realize how much those who served did for their country under difficult circumstances.

This has been described as a war without heroes, without heroes perhaps except for those who occasionally receive a Medal

of Honor that we hand out, but very little attention given to it, those without heroes, a war in which for the first time our prisoners of war come home and for a few fleeting months are recognized for the character that they showed as prisoners. But when I refer to peace with honor achieved by over 2½ million who served in Vietnam, I think of what would have happened had they not served and had we failed in our objective.

I am not now going to go into how the war began. It would serve no useful purpose to point out the difficulties that some of us have had as to how the war was conducted, but I do know this:

It was important to bring it to a conclusion in the right way, in a way that America remained respected throughout the world, in a way in which our allies had confidence in us, the neutrals did not lose their faith in us, and particularly where those who might be our opponents still respected us, respected not only our power but respected our strength in terms of will and willingness to use that strength for a cause to which we were committed.

What would have happened had we not ended the war in the way that we did end it? Seventeen million people in South Vietnam, instead of having a government which is non-Communist with a right to choose for the future, would now be under Communist control.

The 7 million people of Cambodia who are fighting against very great odds would certainly now be under Communist control. The small countries of Malaysia and Singapore, the much larger country of Indonesia, Thailand, the 200 million peo-

ple that live in the perimeter of Southeast Asia, those nations would have a much greater danger threatening them of aggression sweeping over the entire peninsula of Southeast Asia.

People say the domino theory really is not accurate. The difficulty is they have never asked the dominoes, because when we find in visiting those areas, as many of us have, that they are watching what the United States does in terms of its relations to a small country so far away in a very difficult war, when they reach a conclusion that the United States is not a dependable ally, that the United States will be pushed over, when faced with Communist aggression, then they lose confidence in us, and they accept the inevitable—that the tide of aggression will engulf them also.

So, we are grateful to our men who served, because as a result, 250 million people and perhaps more in the Southeast Asian effort have a chance—not a guarantee, but a chance—to choose their own way, a chance to remain free from a takeover by aggression from outside forces.

Our part will, in the future, be under the Nixon Doctrine not to furnish troops, but to furnish within our capacities and depending upon their ability to use it, to furnish the economic and military supplies so that they can have what they need to defend themselves.

But also, the way that this war ended had a much greater significance. There have been some foreign policy developments over the past 5 years, and particularly over the past 2 years, that in my opinion would not have occurred, could not have been accomplished, had not the United States proved that it was a dependable ally and also demonstrated in

Vietnam that it would not join an enemy to overthrow an ally.

What I am referring to is very simply that when a great power, in any of its relations with any countries large or small, shows a lack of will, it loses respect not only in that area but it loses respect all over the world, and particularly among those who might oppose it in the future and who might be tempted to engage in adventurism, proceeding on the assumption that the United States having backed down one place might do so somewhere else.

So, in conclusion, I simply want to say to the Members of the Congress present, both Democrat and Republican, that we do owe a great debt of honor to those who served here, a great debt that is difficult to repay because this has been a misunderstood war; this has been one in which Americans have been honestly divided, and we trust that that may never come again.

But as we see what would have happened had these men not stood firm and had we not backed them up, let me say the chance now to go forward with great initiatives for peace, with the United States strong and respected, we would not have.

So, the 2½ million who served in Vietnam deserve our thanks. They deserve, I would say to Mr. Johnson, as he may have noted from the press conference last night, special attention insofar as those who have suffered from the wounds of war. And I want, particularly, personal attention given to any indications that our laws are not being adequately carried out in that respect, in providing the benefits for them.

And finally, looking to the future, the

way that we can pay the debt that we owe those who served, those who died, those who were wounded, those who have been prisoners, and those who served and came back with very little in terms of praise or applause, the best way we can repay that debt is to have a strong America militarily, but an America that is respected throughout the world, an America that will not back away from its great and destined role to be the peacemaker of the world, whether it is in the Mideast, in Europe, in Asia, or in any other area of the world.

That is our goal, and as we designate this as being Vietnam Veterans Day, let us set as our goal that we in the United States will be able to avoid not only more Vietnams, but build a structure of peace in which all people in the world will be able to avoid a future war, large or small.

NOTE: The President spoke at 11:10 a.m. in the Cabinet Room at the White House. The ceremony was attended by Members of Congress, Administrator of Veterans Affairs Donald E. Johnson, and representatives of veterans organizations.

The text of Proclamation 4270 follows:

VIETNAM VETERANS DAY

By the President of the United States of America a Proclamation

As America enters its second year of peace after a decade of conflict, it is highly appropriate for us to acknowledge the debt we owe to those veterans who served in the Armed Forces during the conflict in Southeast Asia. The untiring devotion that characterized our Armed Forces during this trying conflict is a tribute to the national character.

There are over six and one-half million Vietnam-era veterans, of whom more than two and one-half million served in Vietnam. Despite significant disruptions in their lives and other personal sacrifices, they answered the call of their country and served with great distinction.

As a Nation, we have acknowledged our deep respect and admiration by setting aside March 29, 1974, as Vietnam Veterans Day to remember that the honorable peace America achieved came through great sacrifice. Those who served, those who gave their lives, those who were disabled, and those who are still missing in Southeast Asia—and whose full accounting we shall continue to seek—deserve the profound gratitude of their countrymen. For this purpose, the Congress has authorized and requested me to issue a proclamation designating March 29, 1974, as Vietnam Veterans Day.

NOW, THEREFORE, I, RICHARD NIXON, President of the United States of America, urge the people of this Nation to join in commemorating Friday, March 29, 1974, as Vietnam Veterans Day with suitable observances.

I direct the appropriate officials of the Government to arrange for the display of the flag of the United States on all public buildings on that day; and I request officials of Federal, State, and local Governments, and civic and patriotic organizations, to give their enthusiastic support to appropriate ceremonies and observances throughout the Nation.

I urge all citizens of every age to participate in the events of this day as one means of honoring those men and women who served their country faithfully and courageously during the Vietnam conflict.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-sixth day of February, in the year of our Lord nineteen hundred seventy-four, and of the Independence of the United States of America the one hundred ninety-eighth.

RICHARD NIXON

63 Letter to Chairmen and Ranking Minority Members of the Senate and House Labor Committees About Pending Minimum Wage Legislation. *February 27, 1974*

I AM writing to you with regard to the need for enacting a responsible minimum wage bill during this session of the Congress.

The minimum wage for most workers has now been at the same level for six years, and there can be no doubt that it should be higher. I have consistently urged appropriate increases, starting with legislative recommendations in 1971 and most recently in my State of the Union message last month. Yet, in amending the minimum wage, we must avoid hurting the many low wage workers we are trying to help. This was my concern when I vetoed H.R. 7935 last fall.

Last week, Committees of both Houses of Congress began work on new minimum wage legislation. In the House, the initial actions showed a desire to phase in increases in the minimum wage in a way which should reduce the inflationary and disemployment impact that last year's bill would have had. I am particularly encouraged by the House Sub-committee action in making some changes to help expand student employment opportunities.

There is one area of new coverage which is of special concern to me. The disemployment effects on domestic workers could be very acute if there are no practical limits on coverage and their minimum wage is put at too high a level.

The adoption of a meaningful hours-worked test, especially when coupled with a delay in the increase in subsequent steps of the minimum wage, would help to ameliorate the disemployment effects that would result from covering domestic workers. However, the initial tests proposed in the House and Senate bills are so broad that they may not have their intended effect.

The extension of the Federal minimum wage and overtime requirements to State and local Government employees is also a problem. I appreciate the fact that the House bill under consideration tries to avoid undue interference in the operations of these Governments by exempting police and firemen from the overtime requirements. However, I continue to agree with the Advisory Commission on Intergovernmental Relations that, in general, additional Federal requirements affecting the relationship between these governments and their employees is an unnecessary interference with their prerogatives. The available evidence has failed to convince me that these governments are not acting responsibly in setting their wage and salary rates to meet local conditions. Additionally, if the Congress desires to make the minimum wage and overtime laws applicable to Federal employees, who are already adequately protected by other laws, it should place enforcement respon-

sibility in the Civil Service Commission, which has the responsibility under the other laws.

The high rate of unemployment among youth and the related difficulty of too few work and training opportunities remain difficult problems. They will be aggravated by the temporary increase in unemployment resulting from the energy shortage. Within the Administration we are considering a range of proposals within the broad authorities existing in several agencies to enhance both training and work opportunities for youth. Nevertheless, I believe the most important means for preservation and expansion of work and training opportunities for young people would be the special youth differential in the minimum wage which we first proposed in May of 1971.

With a view toward additional ways to aid youth, I note that the House has shown its concern by changing the tests for special minimum wage certificates for part-time work by full-time students. This, however, does nothing for the young person no longer going to school who perhaps needs even greater help toward meaningful participation in the work force.

While I am prepared to accept a minimum wage bill that contains responsible provisions for the adult population, I believe it should be clear that such a bill, without any youth differential provision, is a vote for higher youth unemployment. Therefore I shall continue to urge the enactment of a meaningful youth differential provision in legislative action this year.

With every good wish,

Sincerely,

RICHARD NIXON

NOTE: This is the text of identical letters addressed to the Honorable Harrison A. Williams, Jr., and Jacob K. Javits, chairman and ranking Republican member, respectively, of the Senate Labor and Public Welfare Committee; and to the Honorable Carl D. Perkins and Albert H. Quie, chairman and ranking Republican member, respectively, of the House Education and Labor Committee.

On February 27, 1974, the President met with Secretary of Labor Peter J. Brennan and Under Secretary of Labor Richard F. Schubert to discuss minimum wage and unemployment compensation legislation pending before the Congress. On the same day, the White House released the transcript of a news briefing on the meeting by Secretary Brennan and Under Secretary Schubert.

64 Memorandum Urging Support of the Red Cross.

February 27, 1974

Memorandum for Heads of Executive Departments and Agencies:

Red Cross Month is a time for every American to reflect upon the vital role the Red Cross and its volunteers play to alleviate suffering and to meet a vast spectrum of human needs in our society. Through the Red Cross, we donate blood to help cure the ill and injured, we arm ourselves with the knowledge and skills

to save lives by learning first aid, water safety and the handling of small craft, we assist members of our Armed Forces the world over and veterans and their families, and we give a helping hand to those left destitute by disasters.

In proclaiming March as Red Cross Month, I ask that the Federal Government and its employees, including members of the Armed Forces, give their fullest

support to this essential organization, which stands constantly ready to be of service wherever it is needed.

RICHARD NIXON

NOTE: On the same day, the President signed Proclamation 4273, designating March as Red Cross Month.

65 Remarks Opening the Young Republican Leadership Conference. *February 28, 1974*

Chairman Bush, Chairman Smith, all of the distinguished guests on the platform, and all of the distinguished delegates to this Young Republican Leadership Conference:

Let me say first that when I was just meeting George Bush before coming in, I said, "What do you call Mr. Smith? Is he a chairman or a president?" He said, "He is a chairman, but he is trying to be a president someday."

I want you to know that tomorrow when David Eisenhower—because Julie will be unable to be present—he will be your host at the White House for the tour of the White House, a special tour that will be arranged for all of you, that one of the reasons that I particularly wanted you to see it was that I know there are several in this audience who expect to be President one day, and I thought you should have a chance to look the place over before you decided to make the effort.

Also, you may have noted we had a little mix-up as to which side of the platform I should be on, and Charlene said, "Not on the left, Mr. President, on the right."

And from seeing the speakers that you have, I see that all segments of our party are represented, as they should be.

I know that you will be, of course, hearing from Senators, from other distinguished leaders of the party, during the

course of your 4-day visit here to Washington. They will be going into the various issues in which they are interested, in which the Nation are interested, in which you, of course, will be carrying the message back to your constituencies throughout the 50 States of the Nation.

In my opening remarks to keynote this convention or meeting, I therefore would like to put it all in perspective, if I could, in a very few moments, put it in perspective in terms of young people looking to the future, rather than young people looking to the past. Because one thing I have found in talking to young people is that you realize that the future is yours. It is what you make it. And at this particular time, it is very important that we understand what young Republicans—and not just young Republicans but young Americans—what we have as the challenge of the future in this year 1974, where we are going, what we can build, what the world is going to look like in 1976 at the 200th anniversary of our country. And perhaps even further down the line, what is the world going to be in the year 2000, when one of you or perhaps another young person in this country will be in the house in which we now live.

In addressing that subject, let me begin by saying that I was talking to a young person the other day, a young man who was very brilliant, one who has without question, in my opinion, a fine political

future ahead, and he was analyzing some of the young people and their attitudes of today.

He said he was distressed to find that among many there was an attitude of, rather, disillusionment with regard to the Nation, its future, its challenges, that there was growing either one or two things—one, a nostalgia, of looking back, you know, the fifties and all that sort of thing.

Incidentally, I prefer the movies of the fifties to some of the stuff that comes out today. As a matter of fact, I am having a group of Congressmen and Senators over to see a movie at the White House tonight, and I asked Julie to pick one out. And she finally had to go back to the fifties, because the only other ones that they had required parental guidance, and I didn't have room for their parents.

But going against what may be the current line among many, that this is rather a poor time to be young, a poor time to be thinking of what you may contribute to your Nation, let me tell you this is a good time to be your age, it is a good time to be living in America, and it is a good time to be interested in and to participate in politics.

Having said that, I realize that 5 years ago, when I first came into office and took a trip to Europe, I talked to an outstanding European statesman, and we were talking about youth in America and youth in Europe, and there were frustrations in both places.

As you recall, youth in America at that time was concerned about the war, and many of them let their concerns be known in, shall we say, rather vigorous terms as they trooped around the White House by the hundreds of thousands, indicating their disapproval of a very difficult,

a very long, and finally a war which came to an end as a result of our efforts.

My friend, the European statesman, had a very interesting reaction to something I said to him. I said, "You know, once we get this war over and once we get the draft ended, then our young people are going to be all right because that is what is bugging them." He said, "Don't you believe it." He said, "The problem of your young people is war; the problem of our young people is peace."

Think of that for just a moment. We think that as we look at the war years and the draft and all of the problems that it caused for the young people of America, that those were the most difficult problems that we could possibly face, but now we have peace. We have no draft for the first time in 25 years. We have no war for the first time in 12 years. And you can take pride that you supported the men and the women and the policies that made it possible for us to end a war which was here when we got into office.

But as all of you undoubtedly are students of history and, particularly, political history will agree, great nations find often that their greater problems occur not when they are faced with a dramatic challenge—which a war always presents to a nation, be it a large war or a small one—but they are faced with enormous problems in terms of national spirit in times of peace, when they wonder what are we going to do with the peace. And then there is a tendency to let down, there is a tendency to say, well, now that we have it, we should be able to do our thing, and doing our thing too often means doing a very selfish thing, rather than thinking in terms of the Nation, the community, or a cause bigger than ourselves.

I am not suggesting, of course, that what we need is a war, which, of course, is always something that requires an effort bigger than ourselves. But I am suggesting that to live in a time when the challenges are the challenges of peace, that is a great time.

Let's remember that, and let's use this peace and use it well over the next 3 years and the next 8 years after that, because we are going to be there for a long time.

I would like to refer to all of the programs that I touched upon in the State of the Union Message, but I shall not do so today. That would take too much time, and other speakers will direct their remarks, I am sure, to many of those programs.

But I would say that looking over the next 3 years, some of the goals that we can set for ourselves and can achieve are these:

First, in terms of our economy, what we are trying to build is a new prosperity, one without war and without inflation. Now, that is a great goal. It is not easy to achieve, but it can be achieved only through recognizing a fundamental principle: The way to a real new prosperity in America without war and without inflation is not through more and more reliance on government, but more and more reliance on people. We are the party of people.

That is why, when I had to consider the options on our health program, there were those who suggested that what we ought to do is to go all the way. We had problems on health, problems in terms of many people who could not get health care because they could not afford it. And there were those who suggested, because there were problems, we should simply get rid of the present health care system

altogether and go to the kind of systems that have been tried abroad, a complete government-controlled system, government-controlled from top to bottom.

I rejected that. I rejected it for this reason: because whatever the problems of health care in America are, just remember, we have the highest quality of medical care in the United States today. And I can tell you that if you visit the countries that have gone down the road of a complete government-controlled system and you find an individual who, if he can afford it, wants to get the best care, he comes here, he doesn't stay there. Let's not destroy that quality.

And that is why we have sent to the Congress and we ask your support for a program which provides the opportunity for health insurance for all Americans which is not compulsory, as far as the Americans are concerned, which provides, particularly, health care for those who need it, which provides for health care for catastrophic illnesses, but which rejects any program which would add \$80 billion or \$100 billion to the tax burden on American people and particularly which, rather than throwing out our present private medical care system, our present private insurance system, works through them.

If I may repeat what I have said on many occasions: I always want to have a health care system in the United States in which the doctor is working for the patient and not for the Government.

Let me turn now to the problem of energy, and you see that problem. You see it in the gas lines that people line up for gasoline, and they wonder why can't we do something about those gas lines, why can't the Government solve the problem?

The Congress yesterday passed a bill,

well intentioned, I am sure, but one that goes in the wrong direction. It did something that I know everybody, when he thinks of it just superficially, would like to have done. It rolls back the price of gasoline. So we will roll back the price of gasoline, and many would say that will solve the problem.

The difficulty with that, of course, is this. The difficulty is that the bill passed by the Congress, which would provide for a rollback of prices of gasoline, something that we would all like to achieve in the end, that bill will result in longer gas lines and also would inevitably lead to compulsory rationing in this country. And that we are not going to have and we should not have.

And I shall veto that bill. And I am going to veto it, not because I am against lower prices—because I am for lower prices—not because I am against more gas and oil available to the American people, but because I am for more gas and oil available to the American people at prices they can afford to pay.

But the answer is for the Congress to act on the proposals that we have had before them—not for months, in some cases for years—which would increase the supply of energy in this country, increase it, and by increasing the supply, the price will go down, the gas lines will certainly disappear, and we can move forward as a country with the energy that we need.

The other point I want to make in this respect is that the problem of energy is not limited to the United States, it is a worldwide problem. In one sense that is a good thing. It means that the nations of the world, poor nations that never thought of having as much uses for energy as they now have, do have those demands, richer nations like ours and the nations of Europe

and Japan, who have increasing demands for energy, as those demands have gone up worldwide, certainly it has the inevitable result of creating an energy shortage which must be dealt with.

The point I want to make, however, is that the United States is in a very fortunate position. Of all the free nations of the world, with the possible exception of Canada, we are the only nation that has the resources right here in this country to become totally independent of any other country in the world for our energy. Let's get out and get those resources out of the ground.

For example, we have half the coal in the world. But that coal isn't going to be mined and it isn't going to be used unless we make the necessary steps which we have asked the Congress to take in terms of certain environmental regulations which in the long run we can have, but in the short run must be amended, because the important thing for us to remember is that the coal resources of this Nation must be put to work in order to get rid of the energy shortage.

The deregulation of natural gas, some of the other efforts that we are making, not to mention, of course, the efforts in the international field to remove the embargo, which presently is plaguing us, particularly on the eastern seaboard.

The major point I would make with regard to energy, however, is this. You have heard about the big Government program we are going to have. It is necessary. We are going to put \$15 billion from the Government into developing our energy resources over the next 5 years.

We have set as a goal in 1980 becoming completely independent. We call it Project Independence for 1980. We can achieve that, but we are not going to

achieve it simply because of what Government does. Government will help. Government will provide the seed money.

I saw an interesting statistic, and it is this: When the Government puts in \$15 billion into energy, private enterprise over the same 5-year period will be putting in \$200 billion and, over a 10-year period, \$500 billion. In other words, 15 to 20 times as much will come from private enterprise.

I come back to my fundamental theme, and it applies to every problem that we have in this country today. The answer to the problem, a problem in America, is not through bigger and bigger government. The answer is through unleashing and encouraging and providing incentives to private enterprise to do the job that needs to be done.

So, that is why I veto a bill that would lead to longer gas lines, that would lead to compulsory rationing across this country. That is why I come down, as I hope you will come down, for a program in which we will increase the supply, because that is the way to get rid of the gas lines and to avoid rationing.

Let me come to another subject that will be of considerable interest to this group.

It happens that the 28th of February, in addition to being the day that the British are voting, is also a day that is somewhat of an anniversary for Mrs. Nixon and me. It is the day we returned from the People's Republic of China 2 years ago. It seems like a very long time ago, and I know that many in this audience had concerns about that trip when it was announced.

You also have concerns about our programs for negotiation rather than confrontation with the Communist nations, including the Soviet Union, because of

the differences that we have, deep ideological differences between our system and theirs.

Let me explain that policy to you in just a few words.

Negotiation with another country does not mean approval of their system of government. What we have to consider is what the alternative is. The alternative to negotiation with another super power is mutual destruction. What we are trying to build is a world in which nations with different systems of government can settle those differences without having those inevitable confrontations and even possible clashes which could lead to nuclear destruction.

Let me say there are easier ways to demagog this problem. There are ways which say, if it is a system of government we don't like, have nothing to do with them, threaten them, deny them this, do this or that or the other thing.

If those ways could succeed, that would be one thing, but we must look at the real world. I know the leaders of the real world. I know the leaders of the Soviet Union. I know the leaders of the People's Republic of China. I know the leaders of the other Communist nations.

I totally disagree with their systems; they totally disagree with ours. But I can assure you that the primary objective that we in America must have is to settle those differences without going to the inevitable confrontation which could lead to nuclear destruction.

That is what our peace initiatives are about, and that is why today—25 years after World War II, not just because we ended a long and difficult war in Vietnam and ended it with honor and respect for America but because we have begun negotiations and discussions with

those who might be our potential adversaries—that is why today the chances for a generation of peace and, for that matter, a much longer period of peace are better than they have been in this century. We want to build on that chance. You can be proud of what we have done in the past, but let me say, over the next 3 years and the years after that, this is a great goal.

And now I come to the part America must play. Talking to my young friend, he was telling me that many young people today say, “Look, after going through Vietnam, you took the trip to China, and now we are negotiating with the Soviet Union on limiting nuclear arms and in other areas, we are working out a settlement which we trust may be fair and just and permanent in the Mideast. We are going to work out, we hope, a mutual reduction of forces in Europe. In view of all this progress, hasn’t the time now come when the United States lays down this great burden that we have carried for so long in which we provide the shield for other free nations in Asia and in Europe and in other parts of the world, where the United States, for example, this year increases its defense budget in order to meet its responsibilities in the world?”

It is a very tempting proposition. Believe me, when I think of the needs in this country, when I think of what we want to do in the fields of education and greater opportunity for every American—housing, transit, and the rest—we are going to be spending a great deal, more than some think we should spend. And we could spend even more if we were to opt out, bug out, as far as our responsibilities in the world are concerned.

But to my young Republican friends

and to my young American friends who are listening to me here today, let me say this: It is your future, that those of us who make decisions now, that we are making these decisions about.

As far as the next year is concerned, the next 2 years, the next 3 years, the next 4 years, a United States that becomes weaker, a United States that becomes the second strongest power in the world, isn’t probably going to make much difference as to whether or not there will be war, peace, or confrontation. But let me say that unless the United States takes upon itself the responsibilities of keeping the peace in the world, there are others who will assume that responsibility whose interests are very different from ours.

Let’s look back before World War I and before World War II. The United States then could, with justification, say, “Why should we become involved?” Because there were other great free nations—the British, the French, for example—who could take up that burden. But today, as we look around the great free world in which we live, these great and proud nations—and they are great and they are proud and some of them are strong—but there is not one of them alone, and not all of them collectively, who could provide the strength which would command the respect which would deter potential aggression or potential adventurism in any part of the world.

In other words, if the peace is to be kept, the United States must maintain the strength that every nation in the world will respect. Because peace—or I should put it in another sense—strength in our hands is in good hands.

Consider for a moment that statement. I know there are those who say power in

the hands of the United States is a very dangerous thing, we will use it irresponsibly. We have made our mistakes in foreign policy through our history, but in this century four wars have been fought. Consider them: World War I, World War II, Korea, Vietnam. In every case the United States did not fight for conquest; in every case we got nothing out of it in terms of territory; in every case the United States was fighting to defend freedom, not to destroy it; in every case we were fighting to build a world of peace rather than a world of conquest and destruction.

And I say that as far as strength is concerned, as long as we live in a world in which strength is important, let's be sure that the United States never is the second strongest nation in the world. Let's keep it strong.

And so, looking over these next 3 years, I believe that we can continue to build a structure of peace. We can make great progress, particularly toward a reduction of tensions in Europe and also building a permanent peace in the Mideast, a goal that has eluded man not only in this century but for centuries before.

I believe also that on the homefront we can move forward with our programs for medical care for all, opportunity for all, better education for our people, a better transit system, and prosperity without war and without inflation.

Something else is required. That is something that you have—enthusiasm, spirit, faith, belief. You know, when this country was so young, 13 States, 3 million people, it was weak, it was poor. But America had something that caught the imagination of the world, and the Americans knew it. Jefferson spoke of, we act

not just for ourselves but for the whole human race. And Democrats and Republicans, be they Presidents or other leaders, through the years have talked that way.

It didn't really matter that much what America did when it was weak and poor, but today it is the indispensable element. America's strength, its wealth, its prosperity is essential, but most important is the American spirit. Do we have faith in ourselves, do we have a belief in our destiny, are we willing to assume the responsibilities of leadership in the world or are we going to turn away from them?

That is where your leadership comes in, and I know that we can count on you—count on you to support these great goals rather than to take that easy way, after going through a long and difficult war, of bugging out of our responsibilities. The Americans are not quitters. We are going to continue to fight for those things we believe.

George Bush told me, in addition to talking about some of these national-international issues, that this was, after all, a conference of potential political leaders, candidates for Congress or the Senate or President, or some other minor office, whatever you may say. [*Laughter*]

And so, I close today with just a few words of advice for the potential politicians who may be in this room, men and women.

First, and this one is going to surprise you, don't assume that the time to run for an office is only when it is a sure thing. Show me a candidate who is not a hungry candidate, show me a candidate who isn't willing to take a risk and risk all, even risk losing, and I will show you a lousy candidate.

Show me a candidate who is willing to

get in there and fight when it is hardest and when it is toughest, and I will show you a good candidate.

So, number one, when the battle looks toughest, get in there and fight for the cause. Believe in it, because next time around, if you lose this time, you will be there.

Second, in life generally and in politics particularly, you don't win them all. I am an expert on that. And also, you never win even when you win big and just assume, well, now the job is done because the battle always goes on. That is our system. That is the way it should be.

You learn from your defeats, and then you go on to fight again—never quit, never quit. Always go on and fight for those things you believe in.

Third, and this comes to something that is very difficult to describe, but it is something that you feel deep within your own selves, your own innermost spirit: Keep your faith, keep your confidence. There is a tendency to become disillusioned with politics. Mistakes are made. Mistakes are made by people who are in your own party. They are made by other people in

political life. And there is a tendency to throw up our hands and say, "Oh, I am not going to have anything to do with it."

You see what that would mean, however. Then you leave it to those who don't care about those mistakes so much, and the answer, therefore, if you think that there are things wrong with our political system—and there are things that are wrong with it—then get in and do something about it.

This is the time that we need our young Republicans with your idealism, with your enthusiasm, and with your faith, not only to build the Republican Party—and that is a great goal—as one of our two great parties but to build a new America and to build a new world.

That is the challenge I give to you, and you are going to meet it.

Thank you.

NOTE: The President spoke at 10:16 a.m. in the Ambassador Room of the Shoreham Hotel.

In his remarks, the President referred to George H. Bush, Republican National Chairman; Richard W. Smith, chairman of the Young Republican National Federation; and J. Charlene Baker, executive director of the 1974 Young Republican Leadership Conference.

66 White House Statement Following Grand Jury Indictment of Seven Former Administration and Campaign Officials.

March 1, 1974

THE PRESIDENT has always maintained that the judicial system is the proper forum for the resolution of the questions concerning Watergate.

The indictments indicate that the judicial process is finally moving toward resolution of the matter. It is the President's hope that trials will move quickly to a just conclusion. The President is confident that all Americans will join him in recog-

nizing that those indicted are presumed innocent, unless proof of guilt is established in the courts.

NOTE: Deputy Press Secretary Gerald L. Warren read the statement at a noon news briefing at the White House.

Earlier in the day, a Federal grand jury had returned an indictment charging conspiracy to obstruct the administration of justice, in connection with the Watergate investigations, and other offenses on the part of seven former Ad-

ministration and campaign officials. The indictment was returned in the United States District Court for the District of Columbia, Judge John J. Sirica presiding. The men indicted and the positions they held during the period covered by the indictment were: H. R. Haldeman, Assistant to the President; John D. Ehrlichman, Assistant to the President for Domestic Affairs; John N. Mitchell, Attorney General

and, later, campaign director of the Committee for the Re-Election of the President; Charles W. Colson, Special Counsel to the President; Robert C. Mardian, an official of the Committee for the Re-Election of the President; Kenneth W. Parkinson, an attorney representing the Committee for the Re-Election of the President; and Gordon C. Strachan, Staff Assistant to Mr. Haldeman.

67 Letter to Chairmen and Ranking Minority Members of the Senate and House Veterans' Affairs Committees About Improvements in the Veterans Disability Compensation Program. *March 4, 1974*

I AM WRITING to ask that your committee, the Senate [House] Committee on Veterans' Affairs, work with us in giving special consideration to ways that we can improve the benefits received by disabled veterans and their survivors.

Of the twenty-nine million living veterans in America, over two million have been disabled in the military service of their country. Those who have died of such disabilities have left nearly 375,000 survivors who look to a grateful nation for assistance.

In a sense, the Nation can never fully repay these men and women and their families for their devotion and sacrifice. We can assure, however, that the value of the benefits they receive from veterans programs keeps pace with the cost of living, and we can act to assure that VA compensation to service-disabled veterans provides full compensation for impaired earning ability.

In the past, the Nation has generously responded to the needs of these veterans and their families in a number of ways—through VA compensation payments, medical care, vocational rehabilitation and education, and specially adapted

housing, automobiles and life insurance. In total, the Veterans Administration budget will provide \$5.3 billion for *these* programs in fiscal year 1975, an increase of 56 percent over the amount spent in 1969.

It is nonetheless true that many disabled veterans are under-compensated today. As you know, the Congress has been reviewing along with the Administration the results of an in-depth survey of service-disabled veterans. The survey was designed to determine the accuracy of the VA compensation rating schedule and thereby the ability of VA compensation payments to meet the declared objective of this program: to compensate veterans for impairment of their earning capacity. Preliminary results of this survey, already shared with your Committee, together with further analysis recently completed, confirms the need for structural change.

These survey results show that many disabled veterans are under-compensated by a rating schedule basically unchanged since 1945 and that the degree of under-compensation is greatest for many of the severely disabled. Accordingly, I have asked the Administrator of Veterans Affairs to work with your Committee to

develop proposals for basic improvements in the veterans compensation program, including those structural changes which would assure more equitable treatment of the seriously disabled.

As a first step, the Administrator shortly will be sending the following proposals for consideration of the Congress:

—*Increases in benefits paid to all recipients* of veterans compensation and dependents and indemnity compensation (DIC). The objective is to lift all benefits by the amount of the increase in cost-of-living since increases for these programs were last enacted in August and January of 1972 respectively. This would be accomplished by a 12 percent increase for veterans compensation and a 14 percent for DIC. I propose that these increases be made effective March 1. The total cost of both increases will be \$432 million in the first full year following enactment.

—*Protection of compensation and DIC benefits in the future.* An automatic adjustment in benefits is needed to recognize future increases in the cost-of-living, as measured by the Consumer Price Index. This feature would resemble that which I have proposed already for protection of VA pension recipients.

—*Structural changes in veterans compensation* which will bring the disability ratings of underrated veterans up to a level corresponding to what survey data show to be their actual degree of impair-

ment. Such action can target VA compensation increases to the veterans suffering the greatest degree of economic hardship imposed by their disability. The cost-of-living adjustment which I am proposing for all disabled veterans, together with the further increases provided by these structural adjustments, will result in far greater percentage increases in compensation for seriously disabled veterans than any across-the-board increase now under consideration.

I know that the Congress shares my concern for disabled veterans and their survivors. Just as this Administration and the Congress are cooperating to develop immediate and needed improvements in the veterans' and widows' pension programs, I look forward to a similar cooperative effort to develop promptly the needed improvements in the veterans compensation program.

With every good wish,

Sincerely,

RICHARD NIXON

NOTE: The letters were addressed to the Honorable Vance Hartke and Clifford P. Hansen, chairman and ranking Republican member, respectively, of the Senate Veterans' Affairs Committee; and to the Honorable William Jennings Bryan Dorn and John P. Hammerschmidt, chairman and ranking Republican member, respectively, of the House Veterans' Affairs Committee.

On the same day the White House released a fact sheet on the veterans disability compensation program.

68 Letter to the Chairman of the Senate Labor and Public Welfare Committee About Pending Education Legislation. *March 5, 1974*

Dear Senator Williams:

The need for constructive, cooperative action to reform the present system of Federal support for elementary and secondary, vocational and adult education is an urgent priority. It is clear that the Administration and the Congress share this sense of urgency, and, I appreciate the work that you and members of your Committee have devoted to the Nation's education programs. However, the action taken by your Committee on S. 1539 indicates that there are major areas of substantive difference that remain to be resolved.

S. 1539 is a bill that differs so greatly from what I consider to be desirable that, in its present form, I would be forced to veto it.

S. 1539 does not provide the program consolidation needed to simplify the Federal funding process for elementary and secondary education. As you know, the Federal Government has for years funded categorical programs that limit the ability of States and individual communities to set their own priorities. While S. 1539 would move in the direction of returning control to States and communities, I believe bolder action is required in the area of program consolidation and I urge that such action be taken.

Reform of the present system for allocating and distributing funds for the education of disadvantaged children is

long overdue. The Department of Health, Education, and Welfare has testified on a formula that would go far toward readjusting and equalizing the distribution of funds for this program. I believe it is a formula that provides the needed reforms in this program and I urge that it be carefully considered by the Senate.

Certain provisions of the bill which you have under consideration would create a bureaucratic nightmare, entwined in its own red tape, making it impossible for the Department of Health, Education, and Welfare to carry out its responsibilities. These provisions are not germane to the bill and would stifle rather than improve our efforts to streamline Federal aid for education. I urge that these provisions be dropped.

I consider reform of the Impact Aid program to be essential. The modest steps taken by the Committee to accomplish this reform are overwhelmed by the forced funding of a new category. I urge the Committee to reopen this question and to endorse the phaseout strategy contained in the FY 1975 Budget request. We cannot permit the Federal Government to continue subsidizing the education of the children of its employees where there is no need for this support.

I know we share the same deep concern to insure that Federal support to elementary, secondary, vocational, and adult education in America is both ade-

quate and qualitatively sound. I know that Secretary Weinberger will continue to provide his fullest cooperation in the preparation of a bill that will assist State and local educational agencies in provid-

ing a better education for all of our children.

Sincerely,

RICHARD NIXON

[The Honorable Harrison A. Williams, Jr.,
United States Senate, Washington, D.C. 20510]

69 Veto of the Energy Emergency Bill.

March 6, 1974

To the Senate of the United States:

It is with a deep sense of disappointment that I return the Energy Emergency Act to the Congress without my approval.

For almost four months the Congress has considered urgently needed legislation to deal with the Nation's energy problem. After all the hearings and speeches, all the investigations, accusations and recriminations, the Congress has succeeded only in producing legislation which solves none of the problems, threatens to undo the progress we have already made, and creates a host of new problems.

I share the sense of frustration and discouragement which must be felt by the many conscientious legislators who spent so many laborious hours trying to draft a responsible bill, only to see their efforts wasted.

ROLLING BACK GAS SUPPLIES

The Energy Emergency Act would set domestic crude oil prices at such low levels that the oil industry would be unable to sustain its present production of petroleum products, including gasoline. It would result in reduced energy supplies, longer lines at the gas pump, minimal, if any, reduction in gasoline prices, and worst of all, serious damage to jobs in

America. Unemployment would go up, and incomes would go down.

Certainly everyone shares the goal of increasing energy supplies, and our present policies are directed toward this end.

We now have a system for controlling crude oil prices at a level consistent with maintaining and increasing production. To do this, we are permitting higher prices for "new" crude oil in order to encourage greater domestic production.

Our experience in administering the crude oil allocation program passed by the Congress last fall has shown how difficult it can be if enough flexibility is not provided by statute. It is our hope that we can work with the Congress in the coming weeks to develop a more flexible allocation program.

The net effect of the price provision of the Energy Emergency Act would be to cut the supply of gasoline and other oil products, and make compulsory rationing of gasoline much more likely. I am sure the vast majority of Americans want to avoid an expensive gasoline rationing program which would do nothing to increase the supply, would cost \$1.5 billion a year to manage, would require a bureaucracy of as many as 17,000 people, and would create problems of fairness and enforcement.

The rollback would not only cut domestic oil production, but would also retard imports since in the present environment oil companies are reluctant to import oil and gasoline that would have to be sold at prices far above the domestic prices.

Further, the effects of the price rollback would not be confined to the immediate situation. The longer-run consequences could be even more serious. If we are to achieve energy independence, hundreds of billions of private dollars will have to be invested in the development of energy from U.S. sources. This money will not be invested if investors do not have reasonable assurance of being able to earn a return in the marketplace. To make the price of oil a political football, as this act does, would be a serious setback for Project Independence.

As we call upon industry to provide these supplies, I feel very strongly that we must also insure that oil companies do not benefit excessively from the energy problem. I continue to believe that the most effective remedy for unreasonably high profits is the windfall profits tax which I have proposed. That tax would eliminate unjust profits for the oil companies, but instead of reducing supplies, it would encourage expanded research, exploration and production of new energy resources. The Congress is holding hearings on this proposal, and I hope it will move rapidly toward passage. I urge the Congress to enact this windfall profits tax as quickly as possible.

OBJECTIONABLE PROGRAM FOR UNEMPLOYMENT

Beyond the rollback provision, the Energy Emergency Act is also objectionable because it would establish an un-

workable and inequitable program of unemployment payments. Under it, the Government would be saddled with the impossible task of determining whether the unemployment of each of the Nation's jobless workers is "energy related." In addition, eligibility for these benefits would not take into account the availability of jobs in the area. There is no excuse for shoveling out the taxpayer's money under a standard so vague and in a fashion so arbitrary.

The correct answer to the problem of those who became temporarily unemployed for any reason, energy or otherwise, is to strengthen our regular unemployment insurance program, extend it to workers not now covered, and provide additional benefits to those who lose jobs in areas where high unemployment rates show that other jobs will be hard to find. I asked the Congress to strengthen and extend the unemployment insurance system last year. I recently expanded this request to provide additional benefits in areas of high unemployment.

I urge the Congress to enact this latest, expanded proposal.

LOW INTEREST LOANS

In addition, this legislation contains authority for the Department of Housing and Urban Development and the Small Business Administration to make low interest loans to homeowners and small businesses to finance insulation, storm windows and heating units. If every eligible homeowner and small businessman took advantage of this section, the result could be an outlay for federally-guaranteed, low interest loans of many billions of dollars. The actual energy savings produced by these vast expenditures would

not justify such an enormous loan program.

FACING UP TO OUR NEEDS

The energy shortage has been a pressing problem for the American people for several months now. We have made every effort to soften the impact of this problem. We have come through this winter without serious hardship due to heating oil shortages. We have tried to distribute gasoline shortages equally. Many are concerned about rising costs of such energy supplies as propane, and we have taken action to reduce these prices while continuing to increase supplies. Above all, we have tried to insure that basic industries would not be severely affected and that unemployment due to the energy shortage would be kept to a minimum. We have been largely successful in these endeavors. But we must be able to approach this situation in a systematic fashion that aims not at symptoms, but at solutions to the problem itself.

The time has passed for political debate and posturing that raise false hopes. It's time for all of us to face up to this problem with a greater sense of realism and responsibility.

Unfortunately, there are some who have chosen to capitalize on the Nation's energy problems in an effort to obtain purely political benefits. Regrettably, the few who are so motivated have managed to produce the delays, confusion, and finally the tangled and ineffective result which is before me today. The amendments, counteramendments, and parliamentary puzzles which have marked the stumbling route of this bill through the Congress must well make Americans won-

der what has been going on in Washington while they confront their own very real problems. We must now join together to show the country what good government means.

We need the authority to require energy conservation measures. We need the direct authority to ration gasoline if, and only if, rationing becomes necessary, which it has not. We need the authority to require conversion of power plants, where possible, to permit the use of our abundant coal reserves. We need a well-conceived Federal Energy Administration capable of managing national energy programs and not the woefully inadequate Federal Energy Emergency Administration mandated in S. 2589.

We must, above all else, act to increase our supplies of energy. To meet this important goal, I have submitted to the Congress a comprehensive package of legislative initiatives which I have repeatedly urged the Congress to pass. I have offered every possible kind of cooperation with the Congress in shaping this vital legislation.

In addition to my requests for a wind-fall profits tax and unemployment insurance plan, the Congress has many other Administration proposals before it, including:

—Mandatory reporting of energy information, a proposal which requires energy companies to report on inventories, production, cost, and reserves with information to be made public in most cases.

—The Natural Gas Supply Act to allow competitive pricing of new gas supplies and encourage exploration.

—A resolution permitting limited production of oil from Naval Petroleum Reserve #1 (Elk Hills) and providing funds

for further exploration and development of Reserve #1 and exploration of Reserve #4 (Alaska).

—The Mined Area Protection Act, establishing standards that would permit mining of coal to go forward while minimizing environmental impact.

—The Deepwater Port Facilities Act, authorizing the Secretary of the Interior to grant permits for the construction and operation of ports beyond the three-mile limit.

—The Minerals Leasing Act, placing all mineral exploration and mining activities on Federal lands under a modernized leasing system.

—A drilling investment tax credit to provide an incentive for exploratory drilling for new oil and gas fields.

—Creation of a Federal Energy Administration to deal with the current energy problem and to carry out major new activities in energy resource development, energy information and energy conservation.

—Creation of an Energy Research and Development Administration to provide a central agency for Federal energy research and development programs.

—Creation of a Department of Energy and Natural Resources to provide a new

Cabinet department for the comprehensive management of energy and natural resource programs.

Further key measures will be proposed to the Congress in the very near future, including a set of amendments to our environmental legislation that would provide the flexibility necessary to acquire and use our fuel resources most efficiently in times of shortage. I will continue to propose legislative initiatives in order to respond to the changing needs and priorities generated by the energy problem.

In enacting this Energy Emergency Act after long months of waiting by the American people, the Congress has sadly failed in its responsibility. I believe the Nation expects better. It deserves better.

In returning this bill, I pledge once again the full cooperation of my Administration in the effort to provide energy legislation which is responsive to the problems we face and responsible in its impact on the economy and on the American people.

RICHARD NIXON

The White House,

March 6, 1974.

NOTE: The Senate sustained the President's veto later the same day.

70 The President's News Conference of *March 6, 1974*

SENATE VOTE TO SUSTAIN THE ENERGY BILL VETO

THE PRESIDENT. [1.] Ladies and gentlemen, I have two brief announcements before going to your questions.

First, I want to congratulate, on radio and television, Miss Helen Thomas for

being selected as the White House bureau chief for UPI. As I understand it, Miss Thomas, this is the first time in history that a woman has been selected for that high post. We congratulate you.

MISS THOMAS. Thank you, Mr. President.

THE PRESIDENT. Second, I also want

to congratulate the Members of the Senate who voted to sustain the veto of the energy bill. We are not necessarily associating you with that, Miss Thomas. *[Laughter]*

In voting to sustain the President's veto, the Members of the Senate vetoed longer gas lines and vetoed nationwide rationing.

What we must now do is to move forward on the various measures that I have proposed that will accomplish the goal that this bill mistakenly was aimed to accomplish, and that is to get down the price of gasoline. That can only be done by increasing the supplies of gasoline and other types of energy.

That is why I trust that the Congress will move expeditiously on the proposals that I have made for the deregulation of natural gas, for doing something with regard to those measures in the field in the environment which restrict the production of coal, which could greatly alleviate the energy crisis—to the extent it is still a crisis—to go forward also on the Elk Hills production and exploration for oil in that Federal area, and in the longer sense, to go forward with the various proposals that we have made for organization in the energy field, which will allow us to develop our nuclear power, new sources of energy, and to achieve the goal we all want to achieve, of independence for the United States for energy by at least, and preferably before, the year 1980.

I believe the way to get the price of gasoline down is to produce more, and these measures which the Congress has had before it for a number of months should be acted upon in order to accomplish that goal.

QUESTIONS

MATERIALS FOR HOUSE JUDICIARY COMMITTEE

[2.] Mr. Cormier [Frank Cormier, Associated Press], since Miss Thomas has already been mentioned, you get the first question.

Q. Mr. President, your lawyer announced today that you will turn over to the House Judiciary Committee all of the materials that you made available to the Special Prosecutor. I am wondering, sir, what about other materials that the committee might want to see that the Prosecutor didn't see?

THE PRESIDENT. Mr. Cormier, that matter has been under discussion, as you probably know, between Mr. St. Clair, White House Counsel, and Mr. Doar, the counsel for the committee. And Mr. St. Clair has made, I think, a very forthcoming offer. He has indicated that we will respond to any written interrogatories under oath that the committee may have on matters that they do not think are covered adequately by the materials that have been submitted to Mr. Jaworski. And in addition, he has indicated that in the event that that is not satisfactory, in order to bring the matter to a complete and, we hope, early conclusion, that the President will be glad to meet with members of the committee—perhaps the chairman and the ranking minority member of the committee—at the White House to answer any further questions under oath that they may have.

As far as other materials are concerned, those matters will continue to be under

discussion between White House Counsel and Mr. Doar. It is the goal for all of us, I think, the goal of the committee—I think it would be theirs, it certainly is mine—to get a prompt conclusion to this matter as soon as possible.

And I would say further that as far as the materials we have turned over, they include not only the famous subpoenaed tapes, which were turned over to Mr. Jaworski, but they include, in addition to that, 11 additional tapes—a total of 19 tapes—over 700 documents, and enough material that Mr. Jaworski was able to say that he knew all and that the grand jury had all the information that it needed in order to bring to a conclusion its Watergate investigation.

CONVERSATIONS AT MARCH 21ST
MEETING

[3.] Miss Thomas.

Q. Mr. President, Mr. Haldeman, your former top aide in the White House, has been charged with perjury because he testified that you said it would be wrong to pay hush money to silence the Watergate defendants, and last August you said that was accurate. Can you, and will you, provide proof that you did indeed say it would be wrong?

THE PRESIDENT. Miss Thomas, it would be improper, as, of course, you know, for me to comment on the substance of any charges or indictment that have been made against any of the defendants in this matter. However, it is proper for me to comment on what I said and what I did on the 21st of March, which is the date in question.

On that occasion, Mr. Dean asked to see me, and when he came into the office, soon after his arrival he said that he

wanted to tell me some things that he had not told me about the Watergate matter. And for the first time, on March 21, he told me that payments had been made to defendants for the purpose of keeping them quiet, not simply for their defense.

If it had been simply for their defense, that would have been proper, I understand. But if it was for the purpose of keeping them quiet—you describe it as “hush money”—that, of course, would have been an obstruction of justice.

I examined him at great length. We examined all of the options at great length during our discussion, and we considered them on a tentative basis—every option as to what the defendants would do, as to who in the White House might be involved, and other information that up to that time had not been disclosed to me by Mr. Dean.

Then we came to what I considered to be the bottom line. I pointed out that raising the money, paying the money, was something that could be done, but I pointed out that that was linked to clemency, that no individual is simply going to stay in jail because people are taking care of his family or his counsel, as the case might be, and that unless a promise of clemency was made, that the objective of so-called “hush money” would not be achieved.

I am paraphrasing what was a relatively long conversation.

I then said that to pay clemency was wrong. In fact, I think I can quote it directly. I said, “It is wrong, that’s for sure.” Mr. Haldeman was present when I said that. Mr. Dean was present. Both agreed with my conclusion.

Now, when individuals read the entire transcript of the 21st meeting, or hear the entire tape, where we discussed all

these options, they may reach different interpretations, but I know what I meant, and I know also what I did.

I meant that the whole transaction was wrong, the transaction for the purpose of keeping this whole matter covered up. That was why I directed that Mr. Halde-
man, Mr. Ehrlichman, Mr. Dean, and Mr. Mitchell, who was then in New York, meet in Washington that evening, if possible—it had turned out that they could not meet until the next day—so that we could find what would be the best way to get the whole story out.

I also know what I did with regard to clemency and with regard to the payment of money. I never at any time authorized clemency for any of the defendants. I never at any time authorized the payment of money to any of the defendants. And after we had met on the 22d, I sent Mr. Dean to Camp David to write a full report of everything that he knew.

That report was not forthcoming, and consequently, on the 30th of August (March), a week later, I directed Mr. Ehrlichman to conduct an independent investigation, which he did conduct and presented to me on the 14th of April.

And also on the 30th, on that same day—Mr. Ziegler announced this to the press corps after I had issued the direction—I directed that all members of the White House Staff who were called by the grand jury should appear before the grand jury and testify fully with regard to any knowledge whatever they had with regard to their involvement, if they were involved, or anybody else's involvement.

In other words, the policy was one of full disclosure, and that was the decision that was made at the conclusion of the meeting.

CLEMENCY

[4.] Mr. Theis [J. William Theis, Hearst Newspapers and Hearst Headline Service].

Q. Without regard to past events or hush money or anything like that, would you now consider granting clemency to any former assistant who might ultimately be convicted?

THE PRESIDENT. The matter of clemency, Mr. Theis, is something that can only be granted and only be considered on an individual basis, depending upon the circumstances involved.

I can only say that under no circumstances has any defendant or potential defendant been offered clemency, and none will be offered clemency. That would be improper, and I will not engage in that activity.

INFLATION AND THE CONSUMER

[5.] Q. Mr. President, some economists are warning that consumers are becoming so disenchanted with inflation that they may reduce their spending drastically later this year as sort of a consumer revolt. Do you share this fear, and what encouragement do you have for consumers in this time of the worst inflation in 25 years?

THE PRESIDENT. First, with regard to the inflation, as I pointed out just a week ago in a press conference, there are two major factors that have caused it. In fact, they have been responsible for two-thirds of the inflation.

One is energy—increased prices for energy—and the second is food.

Now, the back of the energy crisis has been broken, and as we go toward the end

of the year, I would say toward the middle of the year we will see the prices of energy being kept in check and, we trust, even moving downward.

As far as food is concerned, if the Department of Agriculture's reports are accurate and if the weather holds up properly, we will have a record food crop, particularly a record wheat crop, and that will tend to bring the price upsurge in food under control.

And so, as far as the future is concerned for inflation, while it is still a very sticky problem and will remain so for some time, we see the problem being much less difficult as the year goes on than it is at the present time.

Now, the other point that I should make is that when you talk about the consumer revolt, that, of course, relates, I suppose, to the economy in general. I saw a report, as you may have, this afternoon from the University of Pennsylvania, where they indicated that they thought we were either in, or headed for, a recession.

I state again, based on my consultation with my own economic advisers and also consultation with people outside the Government, the best advice I can get, that there will not be a recession in 1974.

I think that progress that we will make on the energy front, progress that we are going to make on the food front, and also the continued strength in other areas of the economy will mean that the last half of the year will see an upward turn in the economy.

I believe, in other words, that we are not going to see a situation where we have rising prices as well as rising unemployment, which, of course, would mean a recession. That, of course, is a projection that I give, based not simply on my knowl-

edge but based on all of the facts that I am able to get from the economists who should know something about it.

NEWS CONFERENCES; CAMPAIGN REFORM

[6.] Q. Mr. President, I would like to ask two questions, if I may. One is that you surprised a lot of us by calling a second news conference within 8 days, and I am wondering if that is the start of a new policy. Secondly, I would like to ask this question: It has always been the custom that foreign money from foreign citizens is permitted to be accepted and spent in American political campaigns at all levels, and in your campaign in 1972, I think, at least \$150,000 came in from foreign citizens. Do you think that is right, and if not, will your campaign financing reform bill include a prohibition of that kind of money?

THE PRESIDENT. As a matter of fact, I think Mr. Harlow,¹ on a, shall we say, leak basis, has already indicated some of the answers to the second part of the question. And the leaks in this case are correct. All contributions from foreign sources are prohibited under the campaign reform that we have recommended.

And going further, I think you might be interested to know some of the other items that are actually going to be in the reform package. One is that all cash contributions are prohibited if they are above \$50. All contributions in cases of Presidential campaigns will be limited to \$15,000 per person per candidate—in the case of Congressional and Senatorial campaigns, \$3,000.

¹ Bryce N. Harlow, Counsellor to the President.

One of the points that we have ruled out—and incidentally, I am not touching on some unfair campaign practices and other items that are very interesting in the proposal, because I want you to be able to write something Friday as well as today on this matter—but I would say that among the other matters that I think are of particular interest to all of the members of the press is the fact that we believe that candidates should have a right to defend themselves against false charges that are made during a campaign, whether by their opponents or by the press.

Now, that is a very, shall we say, difficult ground in terms of the first amendment, and we will try to be very consistent with whatever the constitutional requirements are, but that is a proposal that we have considered.

One thing that we do not do, however, is to endorse public financing. I know there is a great deal of support for public financing in the Congress, and it may be that eventually, if a bill does reach my desk, it will be in it.

I oppose it for this reason: The public financing proposals before the Congress, for the most part, are ones that would have the campaigns financed out of the general treasury. Now, what this would mean very simply would be that a taxpayer would be taxed to support a candidate or a party to whom he was opposed. That is not right. I think that that would, in effect, be taxation without representation.

And so, therefore, for that and other reasons, I oppose public financing.

One of the other reasons, incidentally, is that I believe it is a healthy thing for people to contribute to campaigns and particularly in the smaller contributions areas.

I looked up the figures: I found that 700,000 people contributed \$100 or less to Senator McGovern's campaign; over 900,000 people contributed \$100 or less to the Presidential campaign of our side. I think that kind of participation by people who in that way participate in politics should not be discouraged. It should be encouraged. In other words, I think campaigns should be financed by the candidates and not by the taxpayers.

CLEMENCY

[7.] Q. Mr. President, to follow up an earlier answer—as I understand it, you said that you are not ruling out the possibility that you might grant clemency to a former aide. Is that correct, you are really not ruling that out, and if so, why?

THE PRESIDENT. No, Mr. Schram [Martin J. Schram, *Newsday*], I am simply saying that I am not ruling out granting clemency to any individual depending upon a personal tragedy or something of that sort.

What I am saying, that I am not going to grant clemency because they happen to be involved in Watergate—that, I am ruling out.

WATERGATE AND THE 1974 ELECTIONS

Q. Mr. President.

THE PRESIDENT. You had one last week, Clark [Clark R. Mollenhoff, *Des Moines Register and Tribune*], now.

[8.] Mr. Healy [Paul F. Healy, *New York Daily News*].

In fact, you had two.

Q. Mr. President, many people are saying that Watergate played a prominent role in the election of a Democrat in the

Congressional district in Cincinnati yesterday. What is your opinion of that?

THE PRESIDENT. It might have. In fact, it was said also it may have had an effect on the election in Michigan.²

But reflecting for a moment on off-year elections—and I know you are somewhat of an expert on this; of course, all of you are experts on off-year elections—a first point is that we have had six since the 1972 elections. The Republicans have won three and we have lost three. In fact, yesterday we won in California, as you know, and when one Republican can beat eight Democrats in one race, that is a pretty good showing.³

The other point is that as far as off-year elections, as distinguished from the British system where they seem to point as to what will happen in the general election, they seem to have exactly the reverse effect in this country.

For example, I found that between 1964 and 1966 the Republicans won 5 and the Democrats won 7 Congressional seats, and yet the Republicans won 47 seats in 1966.

Also, reflecting to the past, after General Eisenhower's landslide victory in 1956, we lost 47 seats in the House just 2 years later in 1958 because of a recession. And after President Johnson's landslide victory in 1964, his party lost 47 seats in the House, just 2 years later, because of a war.

This year, we are not going to have a

² In two special elections, Thomas A. Luken was elected to the First Congressional District of Ohio on March 5, 1974, and Richard F. Vander Veen, a Democrat, was elected to the Fifth Congressional District of Michigan on February 18.

³ Robert Lagomarsino was elected to the 13th Congressional District of California on March 5, 1974.

war. We are going to be making further progress toward peace—at least that is our goal, and I think we will achieve it—and we are not going to have a recession.

So, I believe that the dire predictions that are made as to what is going to happen in November, because of what has been happening this spring, will be proved to be wrong.

MATERIALS FOR IMPEACHMENT INVESTIGATION

[9.] Mr. Kempster [Norman Kempster, Washington Star-News].

Q. Mr. President, in your answer to Mr. Cormier's question, you spoke of an expeditious conclusion of the impeachment hearings in the House. Would it not serve the purpose of a speedy conclusion of these hearings for you to give the committee whatever materials, tapes, and documents they consider pertinent to their investigation?

THE PRESIDENT. It would not lead to a speedy conclusion; it would delay it in my opinion. Because if all that is really involved in this instance is to cart everything that is in the White House down to a committee and to have them paw through it on a fishing expedition, it will take them not a matter of months, so that they can complete their investigation and, we trust, their decision by the first of May—which I understand is Mr. Rodino's object—but it would take them months and perhaps even as long as a year.

We will furnish the information we furnished Mr. Jaworski, the Special Prosecutor, all of which he considered to be relevant. We will furnish, as I have indicated, written interrogatories on any other relevant material. And we will also

agree to meet with the chairman, the ranking member, as designated by the committee, to answer any other questions they may have. I believe that that will serve the purpose.

IMPEACHABLE OFFENSES

[10.] Q. Mr. President, your attorneys have taken what is seen as the narrow view on impeachment, saying that impeachment should be limited to very serious crimes committed in one's official capacity. My question is, would you consider the crimes returned in the indictments last week—those of perjury, obstruction of justice, and conspiracy—to be impeachable crimes if they did apply to you?

THE PRESIDENT. Well, I have also quit beating my wife. *[Laughter]*

Of course, the crime of perjury is a serious crime, and of course, the crime of obstruction of justice is a serious crime and would be an impeachable offense, and I do not expect that the House committee will find that the President is guilty of any of these crimes to which you have referred.

When you refer to a narrow view of what is an impeachable crime, I would say that might leave in the minds of some of our viewers and listeners a connotation which would be inaccurate. It is the constitutional view. The Constitution is very precise. Even Senator Ervin agrees that that view is the right one, and if Senator Ervin agrees, it must be the right one.

LEGAL EXPENSES

[11.] Q. Mr. President, Attorney General Saxbe has expressed the opinion that at some point in the impeachment proce-

sure you might have to start paying for your own legal defense. Sir, do you have any plans to hire your own lawyers at your own, rather than public, expense?

THE PRESIDENT. If the Attorney General should rule that I should pay for my own defense, I shall, of course, do so.

I should point out, however, that I am not a defendant until the House passes a bill of impeachment. I would then be a defendant, and if the Attorney General of the United States should rule that the President should pay for his defense, I will find somebody to loan me the money. *[Laughter]*

GRANTS OF IMMUNITY FROM PROSECUTION

[12.] Q. Mr. President, I would like to follow up on a comment that you made just a minute ago, where, taking back to March, you said that you had ruled out immunity from prosecution for all of your aides, and in the same answer, you said you wanted full disclosure of all of the facts about Watergate. One of the purposes of granting immunity from prosecution is to get disclosure from a person who knows what is going on to crack the case. And some people have suggested that the order against immunity from prosecution was aimed at deterring John Dean from testifying and disclosing the facts.

Now, how would you answer that thesis?

THE PRESIDENT. Well, on the contrary, I think that the use of immunity for any major White House employee would be highly improper. After all, someone who has the position of Counsel to the President should come forward and testify as to everything that he knows, and he

should not require as the price for telling the truth getting immunity. That was my view then; it is my view now.

I should also point out that in the case of Mr. Ehrlichman, Mr. Haldeman, Mr. Colson—all of whom have been indicted—it is significant to note that none of them have used the shield of the fifth amendment, as they could have, and pled self-incrimination.

None of them have bargained for pleas, as they could have in order to get a lighter sentence. Each of them has testified freely before the committee; each of them has testified before the grand jury; each apparently believes in his innocence.

Under these circumstances, while they have been convicted in the press over and over again, while they have been convicted before committees over and over again, they are now before a court, and they are entitled to, they will receive from me and, I think, from every fairminded American the presumption of innocence that any individual is entitled to, because a court of law is the proper place for such matters to be decided.

OIL EMBARGO

[13.] Q. Mr. President, Secretary Kissinger has reported to you on his recent Middle East mission. Did he bring an optimistic report on the lifting of the oil embargo?

THE PRESIDENT. The oil embargo is a matter the discussion of which would not serve a useful purpose at this time, except to say that a meeting is now scheduled, as I understand it, on the 11th of March by the oil-producing countries.

It will take place in Egypt, I think, which, of course, is not an oil-producing

country, but where apparently the Egyptians have some influence on that decision.⁴

However, as I pointed out about 10 days ago in my news conference, progress on the diplomatic front, while it is not linked to lifting of the embargo, inevitably has an effect on it.

We have had progress on the diplomatic front, first the settlement for the disengagement on the Egyptian front, and second, while it is an even more difficult problem than the Egyptian disengagement, the agreement of the Syrians and the Israelis to come to Washington 2 weeks from now to discuss how a disengagement can be worked out on the Syrian front.

The United States will use its influence just as strongly as we can with both parties to get a disengagement on the Syrian front as quickly as possible, which is just and equitable to both sides.

We believe that the progress—the motion, I should describe, that is taking place on the diplomatic front, will inevitably have a constructive effect on the oil-producing companies [countries] insofar as their decision on the embargo, but I am going to leave that decision to them because indicating what they will do might lead them to do otherwise.

MARCH 21ST MEETING

[14.] Q. Mr. President, you said earlier, if my notes are correct, that on March 21, Mr. Dean told you for the first

⁴ The embargo talks, originally scheduled for March 10, 1974, in Cairo, Egypt, were postponed when three of the oil-producing countries—Algeria, Libya, and Syria—failed to send representatives. The meeting took place on March 13 in Tripoli, Libya.

time that payments were made to defendants to keep them quiet and that you considered a number of options. Did you not consider the option of blowing the whistle, of turning that information over to the authorities immediately, and on reflection now, do you think you should have?

THE PRESIDENT. As a matter of fact, among the options we considered was getting out a full report, a report that he would write. Among the options we considered the next day—and we started to consider it that day—was to have everybody testify before the Ervin committee and waive executive privilege, which was a course of action which Attorney General Mitchell recommended.

Yes, the option of a full disclosure at that time by everybody concerned was one that was considered. The difficulty that I had was that for months these matters had not been brought to my attention. I had not been informed of the payments to the defendants. I had not been informed with regard to the alleged coverup. I had not been informed about the possible involvement of some White House aides.

I felt it was my responsibility to conduct my own investigation with all the assistance I could get from those who could provide information before moving to what would be a proper way of getting this story out to the country.

At all times, it had been my goal to have a complete disclosure of this whole situation because, as you know, I have said there can be no cloud over the White House. I want that cloud removed. That is one of the reasons we have cooperated as we have with the Special Prosecutor. We will also cooperate with the Rodino committee. The facts will come out.

Q. Mr. President, I have a followup on

that question right there, on the March 21st meeting. You have referred to your own personal desire to have complete disclosure, and you have also mentioned here this evening that anybody who heard the tape of that March 21st meeting, or different people hearing that tape or reading the transcript, might get different impressions. Have you ever considered the option of making that tape and transcript public so that the American people can read it and hear it and make their own judgment on what happened at that meeting?

THE PRESIDENT. Yes, I have. We have a problem there, however, in that that tape, as well as the others—as was, I think, probably implied at least in the hearing today—affects the rights of the defendants and also the possibilities of the prosecution, and under the circumstances, of course, we must be, to a certain extent, guided by that.

I think eventually the entire tape will be made available. And as far as I am concerned, when any individual who is looking at it objectively not only hears it or reads what the transcript is but also sees what was done after that particular conversation took place, will conclude, first, that the President had no knowledge before the 21st, which Mr. Dean himself said when he came into the meeting; second, that the President never authorized clemency, in fact, rejected it on several occasions in that meeting; and third, that the President never authorized the payment of money to the defendants for the purpose of hushing them up.

PUBLIC TESTIMONY BEFORE HOUSE
JUDICIARY COMMITTEE

[15.] Q. Mr. President, you have spoken tonight of your willingness to take

questions under oath in the White House from the senior Democratic and Republican members of the House Judiciary Committee. Would you consider, as an aid to rebuilding public confidence in your leadership and in speeding up the procedure, in taking questions in a public forum from the entire House Judiciary Committee?

THE PRESIDENT. This is a matter which I am leaving to Mr. St. Clair and Mr. Doar to work out as to what proper procedure could be developed. What I want is one that will get the facts, get them quickly, and one that will not delay the proceedings. But Mr. Doar and Mr. St. Clair are discussing the matter, and I will defer any response until they have completed their discussions.

ATTORNEY JOHN J. WILSON;
INTERPRETATION OF TAPES

[16.] Q. Mr. President, is Mr. Wilson, the attorney for Messrs. Haldeman and Ehrlichman, working with the White House or with you in concert in any way? And secondly, you have said that when others hear the tape of the 21st, they may well reach a different interpretation than the one you have presented tonight. Why is that?

THE PRESIDENT. First, Mr. Wilson, of course, is not working with the White House, and neither are the attorneys for any of the other defendants. His only contact with the White House is one that would be perfectly proper in terms of information that a defendant or potential defendant would be entitled to.

As far as interpretations of tapes, not only this one but others, are concerned,

any individual who wants to can take anyone's statement and interpret it any way he wants.

What I say is that I know what I said, I know what I meant, I know what I did, and I think that any fairminded person will reach the same conclusion that I have repeated here several times tonight.

DEFENSE BUDGET

[17.] Q. Mr. President, you met this week with the leaders of the Appropriations Committee partly in regard to the defense budget. And later, Senator McClellan said he would favor slashing \$3 billion from that budget, which as you know is nearly \$90 billion, higher than in wartime. Could you tell us if you think that is a dangerous cut, and if so, why?

THE PRESIDENT. Senator McClellan told me that he wanted to cut the budget by \$3 billion, and he is a watchdog of the treasury, and incidentally, so is Congressman Mahon. They both indicated they wanted to cut the budget. However, neither of them indicated that they wanted to take the muscle out of defense.

I would say the primary part of our discussion was with regard to the necessity for having the defense budget where it was. I also pointed out to them, because Senator McClellan was particularly interested in this, that we were negotiating at this time for a mutual balanced reduction of forces in Europe. I said, in order to accomplish that, we had to maintain our forces at the present level in order to get a reduction on the other side, rather than to do it unilaterally.

I believe, finally, that Senator McClellan and Chairman Mahon will be respon-

sible, and the cuts, if they are made, will be ones that will not weaken the United States.

PAYMENTS TO DEFENDANTS

[18.] Q. Mr. President, just to follow up an earlier question about Watergate and the indictments, I was wondering if you figured out, sir, why the payment of \$75,000 in alleged hush money occurred the same day you said you disapproved of the practice? I am talking about the March 21st conversation.

THE PRESIDENT. I have no information as to when a payment was made, to what you have referred. All I have information on is as to my own actions and my own directions, and my actions and directions were clear and very precise. I did not authorize payments, and I did not have knowledge of payments to which you have referred.

MR. CORMIER. Thank you, Mr. President.

CROSS-EXAMINATION OF THE PRESIDENT

[19.] Q. Mr. President, can I ask you—

THE PRESIDENT. Well, Mr. Lisagor [Peter Lisagor, Chicago Daily News] isn't wire service, but he always has a question.

Q. —some legal scholars, including Senator Ervin, have said that the truth will never be fully established unless all witnesses subject themselves or submit to cross-examination. Are there circumstances under which you would submit to cross-examination if it would serve to clear up this Watergate affair?

THE PRESIDENT. Well first, Mr. Lisagor, I will do nothing to weaken the Office of the Presidency. And to submit to cross-examination under circumstances that would, in effect, put the President in the box when he was not indicted, in effect, by the House of Representatives—where he would be in the box if he went to the Senate—I think would be improper. However, as far as I am concerned, as I have indicated, I will have written interrogatories, and I will be willing to meet with the ranking members of the Judiciary Committee, both of whom, I understand, are very good lawyers and very good cross-examiners, to take any questions that they may have if they have any at the conclusion of their own investigation.

MR. CORMIER. Thank you, Mr. President.

NOTE: President Nixon's thirty-seventh news conference was held at 7:31 p.m. in the East Room at the White House on Wednesday, March 6, 1974. It was broadcast live on nationwide radio and television.

71 Statement on Signing a Bill Providing for Development and Preservation of Water Resources. *March 7, 1974*

I TAKE pleasure today in signing H.R. 10203, the Water Resources Development Act of 1974. This bill is evidence of the legislation that can be achieved when the executive and legislative branches work together in a spirit of compromise.

The projects authorized in this bill—which will cost more than \$1 billion—have been authorized for advanced engineering and design only. Under this new two-stage authorization system, both the President and the Congress will have

another opportunity to review each of these projects on their merits before they become eligible for construction appropriations.

I have also noted that the Congressional debate on this bill indicates that the executive agencies will be free to use realistic discount rates for benefit-cost determinations in their processes of selecting projects for authorization or construction even though this bill prevents them from doing so in the initial formulation of the projects. The Congress in this bill has asked me to present recommendations on such critical policy issues in the water resources field as cost-sharing and project evaluation criteria, including discount rates. I am gratified that the Congress now shares my view of the importance of these problems, and I will continue to work in a spirit of receptiveness to update some of what I consider to be anachronistic policies con-

cerning water projects.

I regret to note that despite these encouraging new policy directions, this bill continues to present some of the problems which were contained in S. 4018 which I pocket-vetoed in October of 1972. It continues to authorize some projects that I believe to be economically unjustified, and it substitutes Federal payments for costs that in some cases should be borne directly by the benefiting communities. On balance, however, the bill represents a step forward in our efforts to modernize water resource development, and I look forward to continuing a constructive dialog with the Congress on these policies.

NOTE: As enacted, H.R. 10203, which includes the Water Resources Development Act of 1974 and the River Basin Monetary Authorization Act of 1974, is Public Law 93-251 (88 Stat. 12).

72 Radio Address About a Special Message to the Congress Proposing Campaign Reform Legislation. *March 8, 1974*

Good afternoon:

The centerpiece of American democracy is our process of electing men and women to public office. That process is now the subject of a spirited national debate. From the Congress, from election analysts, and most importantly, from the people themselves have come a steady stream of proposals. They are varied in nature, but unified in purpose; all of them call for reform.

We need sensible reforms, reforms that perform instead of preach, reforms that will work because they are workable, and reforms that will last because they make good common sense to people.

Ten months ago, I spoke out on the need for campaign reform. I asked the Congress to create a commission to fashion the remedies that we need. The Congress has failed to act on that proposal. Consequently, today I am sending to the Congress a comprehensive set of proposals to get the job done.

These proposals present reform that will work, not reform that will sugar-coat our problems with the appearance of change or rob our people of their basic freedoms. These proposals address four major areas: campaign finances, campaign practices, campaign duration, and encouragement of candidate participation.

Of all of these, campaign financing is the central concern with which we must deal as we move to improve our electoral process. It provides the best example of our need to deal with the causes of campaign abuses rather than simply with the symptoms of those abuses.

Each year elections become more expensive. In 9 months of 1972 alone, it has been estimated that the Presidential campaign cost \$100 million, spent by the two candidates and their committees.

Many millions more were spent on Congressional races. Many of these costs cannot be avoided, because Americans put a premium on knowing what their candidates stand for, seeing them in their hometowns, meeting them face to face.

The answer to this is not artificial limits on campaign expenditures by candidates. These limits would not only raise constitutional questions, they would also be unrealistic and, in many situations, unfair.

In a free society we should never put a ceiling on the open and vigorous communication of ideas, specifically when that communication helps to inform the voter's choice. Instead, we should deal with the growing influx of money into politics by establishing broad and rigorously enforced financial disclosure requirements.

With expanded disclosure, our voters would then have the necessary information to assess the philosophy, the personal associations, the political and economic allegiances of the candidates.

To this end, I have proposed that each candidate have only one political committee as his or her authorized campaign organization, and that committee would have to designate one depository for all campaign funds.

Now, this measure would insure full accountability for campaign finance and

eliminate the unhealthy proliferation of political committees which are used to conceal campaign donations.

I have also proposed that each individual donor be specifically tied to his campaign contribution. By linking donations to the original donor, the influence of special interest groups in election campaigns would be sharply reduced.

Beyond requiring greater public disclosure of campaign contributions, I also ask for limits on the size of donations to Federal election campaigns. No contribution above \$3,000 could be made by an individual donor to a House or Senate election campaign. For Presidential elections, a ceiling limit of \$15,000 would apply, and the need for small contributions would rise accordingly. We would also put an end to contributions from organizations which are hidden in the form of services, such as the donated use of private aircraft, the loan of campaign workers whose salaries are paid by third parties, and other types of nonmonetary contributions.

We should stop the large flow of cash in campaigns by requiring that all donations over \$50 be made by check or other negotiable instrument. We should ban all political loans in order to end the practice of disguising donations as loans. And finally, I have proposed that all campaign contributions from foreign accounts and foreign citizens be flatly prohibited.

Along with full disclosure, these requirements would breathe fresh air into political campaigns. Unlike arbitrary limitations on campaign expenditures, they would fulfill the right of the American citizen to learn about all candidates and the views which they seek to communicate.

I am also taking this opportunity today

to share with you my reasons for opposing a raid on the public treasury to pay for political campaigns. This is popularly called public financing.

In reality, it is compulsory financing by the American taxpayer of political campaigns. It is unhealthy, it reduces our freedoms, and it would have the effect of undermining the very foundation of our democratic process.

Underwriting political campaigns from the United States Treasury would not only divert tax dollars from pressing national needs but would also require taxpayers to sponsor political candidates and parties with which they might totally disagree.

This procedure would take your money—no matter what your political preference—and distribute it to candidates for whom your voluntary support might be withheld.

In effect, that process would be taxation without representation. It would, in other words, violate the very precept for which our Nation declared its independence and fought a war for that independence. You work too hard for your money to have it spent on candidates or in campaigns that you don't know about or don't care about or even oppose.

Thomas Jefferson, who so eloquently committed to words the spirit of the Revolution, said, at another time, "To compel a man to furnish contributions of money for the propagation of opinions which he disbelieves and abhors, is sinful and tyrannical."

The courts have already struck down this type of financing when labor unions have tried to make campaign contributions from compulsory dues, and I see no reason now to place this same type of burden on the back of the American tax-

payer. One thing we don't need in this country is to add politicians to the Federal dole.

Public financing could give incumbents unfair advantages over relatively unknown but capable challengers, and at this time in our history, this Nation, all of our legislative bodies—particularly the Congress of the United States—needs new blood, new leadership.

Moreover, it would close off the one avenue that hundreds of thousands of citizens choose to participate in—the electoral process.

Our goal should be to disclose donations, not to foreclose them. We need to open up the election process, not put it in the closed hands of Washington bureaucrats.

I have also proposed reform in the area of campaign practices. We must firmly move to prohibit the organized and intentional disruption of a candidate's campaign by his opponents as well as to prevent the use of tactics which impede or deny entry at a campaign rally.

I recall in the campaign of 1968 the violent demonstrations that took place where Senator Humphrey and I were concerned, demonstrations which had the effect finally in some cases of denying us the right to speak.

Once and for all, we should move to end such anti-democratic practices as stuffing ballot boxes, the rigging of voting machines, other practices which affect the electoral process in the most pernicious manner.

The third general area of reform in which I have submitted proposals to the Congress deals with the length of campaigns. Campaigns should be true tests of a candidate's appeal to the voters, rather than endurance contests.

To shorten Presidential campaigns, I have recommended moving primary elections later into the election year, and I have urged both national parties to schedule their 1976 nominating conventions in September instead of in July or August.

Now, that would still provide for a national campaign of approximately 2 months. When you consider, for example, that in Great Britain a campaign is scheduled for no longer than 3 weeks, it would seem that a 2-month campaign in the United States would be adequate for the purpose of having each candidate get his views across to the people.

Finally, we must take steps to encourage more good people to run for public office. While closely observing constitutional requirements, I believe that we can reaffirm a public figure's private rights so that people interested in running for public office can have greater assurance of recourse against slanderous attacks on them or their families. Good and decent men and women should not have to flinch from political participation because of their fear of such attacks.

We have here, incidentally, a constitutional problem, which must eventually, probably, be decided by the courts. But unfortunately, some libel lawyers have interpreted recent Supreme Court decisions, particularly the decision in *Sullivan v. The New York Times*, as being virtually a license to lie where a political candidate, a member of his family, or one of his supporters or friends is involved.

This is wrong. It is necessary that a change be made so that a candidate who runs for public office knows that he has recourse in case of such an attack which is totally untrue and would otherwise give him a right to sue for libel.

Other measures which would encourage a wider choice for the voters by reducing the cost of campaigning include the repeal of the equal time provision of the Communications Act, allowing for more free broadcast coverage of candidates.

I have also urged the Congress to examine its own benefits of incumbency which have mounted over the years, so competent challengers have a more even chance in House and Senate campaigns.

I am aware of the great interests and expertise that the Congress possesses in the election process, and I am grateful for the counsel, the recommendations which have been contributed to me by several Members of Congress in preparing my remarks on this occasion and the legislation that will be presented. It is fully my intention to work closely with the Congress, with leaders of both parties, to achieve progress in improving the conduct of our campaigns. Because we all share the same interests and the same goal, we will work together to achieve that goal.

If our campaigns, like the communications of ideas in every arena of public life, are to remain free and spirited, they will frequently be caustic and hard-hitting. That is the case in all free countries. Some excesses and abuses will inevitably occur, but if we are guided by a sense of realism, we can go far to improve the process.

More than anything else, it is my desire to open up the election process, eliminate the abuses which cross boundaries of fair play, and to let the American people know as much as possible about their candidates. No instrument of force is as mighty as the power of the ballot in the hand of a free citizen. This is the proud and remarkable record of our election tradition. The American people have

never failed us when presented fully with the actions and thoughts of political aspirants.

The reforms I have put forward today may not provide the panacea that some seek for all the abuses, but they do provide the basis for the workable progress

that we do all seek.

Thank you and good afternoon.

NOTE: The President spoke at 12:30 p.m. from a room adjoining the Oval Office at the White House. The address was broadcast live on nationwide radio.

73 Special Message to the Congress Proposing Campaign Reform Legislation. *March 8, 1974*

To the Congress of the United States:

I. INTRODUCTION

The American people wield a mighty instrument of free choice as they enter the voting booth. Indispensable to the health and integrity of that process is the accountability of candidates for public office.

Campaign abuses recently publicized and of years gone by, samplings of Congressional and public opinion, expert observation, the experiences of all of us in elective office—all proclaim that the electoral process needs reform and that the accountability of candidates must be more uniformly enforced. I commend the Congress for its own recognition of this need as evidenced by recent Senate passage of two important reform measures, by the introduction of scores of reform bills, and by detailed analyses of this entire area by many Members of Congress in both Houses.

The Executive and the Congress have, therefore, a common goal: reform that works, reform that deals with the very real concerns we have in a way which improves the electoral system instead of simply coating it with the appearance of change.

I feel strongly that the reform we seek must be realistic. For example, I continue my interest in the possibilities of a six-year, one-term Presidency and four-year terms for Members of the House of Representatives. Yet, the advantages of these proposals are not so compelling as to merit driving now for a constitutional amendment. I do, however, urge further consideration of these subjects both by the Congress and the public.

Another such proposal, appealing but in my view impracticable, is the so-called Post Card Registration plan. Its goals are laudatory, but not its practical results.

Testimony before the House Election Subcommittee has already indicated that the proposal's stated objective would not be reached and the target groups not registered. In addition to being an unwarranted Federal intrusion in an area reserved by the Constitution to the States, post card registration would be an administrative nightmare and would cause chaos in existing registration systems. Of even greater importance is the open invitation to election fraud that would be inherent in so haphazard a system. I would add that periodic in-person registration by a citizen involves a personal and political commitment that I would regret very much to see us lose.

All of our solutions in the area of campaign reform must be grounded on the solid experience of nearly 200 years, not merely on the spirited rhetoric which so frequently pervades this arena.

II. LEGISLATIVE PROPOSALS

On May 16, 1973, I urged the Congress to establish a non-partisan commission on Federal election reform. This blue-ribbon commission would have been composed of political party leaders, Members of Congress and distinguished laymen. Only one House of Congress, the Senate, has focused on it. This lack of action has come at the very time that many Members of Congress and private leaders have been speaking out about the need for vigorous action against campaign abuses.

If it had been created in a timely manner, this commission would have been charged to file a public report no later than December 1st of last year. By now we would have had an authoritative, bipartisan report recommending carefully weighed reforms for Federal campaigns, and perhaps by now we could have been well on the way toward new statutes applicable to the upcoming elections this November.

It is because of this delay that I have directed the Department of Justice to work with my staff in preparing a comprehensive set of reforms for consideration of the Congress in this session. I am hopeful that these proposals, together with other approaches being advanced in Congress, will lead to vigorous debate and solid, effective reform.

Of course, we should not be concerned with Presidential campaigns alone. A massive volume of campaign contributions goes into Senate and Congressional

campaigns as well. The problem faces us all, and because we are all concerned, I am anxious for the Congress and the Executive to work together in a spirit of full cooperation. For real progress to occur, we must all consider the paramount interests of the electoral system rather than parochial interests of any party or candidate.

The proposals I urge the Congress to consider as it continues to evolve its own approach fall into four major areas: campaign finances, campaign practices, campaign duration, and encouragement of candidate participation.

A. CAMPAIGN FINANCE

In recent years, political campaigns in America have become increasingly expensive. Because the need for more and more money has become acute in many Federal elections, I regard campaign financing as the most important area for reform, and the area in which reform is most urgently required.

After extensive study of a wide range of suggestions, including the many proposals developed by Congressional sources, I conclude that the single most important action to reform campaign financing should be broader public disclosure. Complete financial disclosure will provide the citizens of our country with the necessary information to assess the philosophy, personal associations, and political and economic allegiances of the candidates.

A number of statutes already exist which require some disclosure, but we can and should expand and improve the process.

Specifically, I endorse the proposal that each candidate in every Federal election be required to designate one single politi-

cal committee as his authorized campaign organization, which in turn would have to designate one single depository for all campaign funds. With this single committee and single depository, accountability becomes virtually assured, and the unhealthy proliferation of political committees to pyramid and conceal campaign donations would be stopped at last.

I also strongly support the proposed requirement that every donation to these committees be specifically tied to the original individual donor, excepting only donations by a national political party organization. Other organizations could act as agents of individual contributors, but the donor himself would be required to designate the ultimate recipient of his campaign donation. This requirement would do more than facilitate disclosure; it would have the highly positive side benefit of reducing the influence of special interest groups by discontinuing their direct and often very substantial contributions to candidates. Donations to political party organizations, rather than to individual candidates, would not be interfered with and would continue to be identified as to the original donor, as existing law requires.

Even though disclosure is, I believe, the single most important prescription to deal with financing reform, I believe also that donation limits are needed on the amounts that an individual contributor could give to any Federal election campaign. I suggest that a candidate's authorized campaign committee be prohibited from accepting more than \$3,000 from an individual donor in any Senate or House election, and not more than \$15,000 in any Presidential election. These ceilings would apply in each campaign—primaries, run-offs, and general elections—and would in-

clude any contributions earmarked for a candidate through a national political committee. Regardless of the number of Presidential primaries, no candidate for President could receive more than \$15,000 from any individual for all of the primaries combined, or more than this amount from any individual in the general campaign.

In recent years there has been a proliferation of "in kind" contributions in the form of paid campaign workers, printing supplies, the use of private aircraft, and other such non-monetary campaign assistance. Because there is as much room for abuse with "in kind" contributions as with financial ones, I believe we should prohibit all "in kind" donations by any organization other than a major political party.

Any "in kind" contribution by an individual would, of course, continue to be permissible, but would have to be disclosed as to both donor and recipient, with an open report of its reasonable value. These personal "in kind" donations would come within the same ceiling limitations as monetary contributions and would apply towards the ceiling amounts for Senate, House and Presidential elections.

I also urge:

—That all donations of more than \$50 be made by check or other negotiable instruments, so that large flows of cash can be at least inhibited;

—That all campaign-related expenditures of over \$50 be drawn only from the central campaign treasury;

—That all loans to political committees be banned, so that we can end the practice of disguising donations as loans;

—That the donation of physical assets such as appreciated stocks be prohibited;

—And that campaign contributions

from foreign accounts and foreign citizens be prohibited.

These proposals, when added to the present disclosure law that took effect in 1972, should assure American voters of the information they need to decide for themselves whether or not a candidate is financing his or her campaign honestly and in an acceptable manner.

The proposals I have offered advance the common goal of restraining campaign expenditures, but they do so without imposing arbitrary limits. It is important to note, as well, that existing law already limits the amount which candidates for Federal office may spend for campaign advertising in the communications media, the most costly part of modern campaigning.

Additional spending limits, desirable as they are at first thought, raise significant constitutional questions. Moreover, they would be unworkable because many citizens furnish direct support to a multitude of groups which in turn support candidates only because of selective positions on narrow issues. They can also be unfair because expenditure limitations can be set too low to provide a challenger with any hope of contrasting his views with those of the better known, federally subsidized incumbent. Finally, a limit appropriate to a geographically small, congested Congressional district could be utterly inadequate for a large one. There are many other district-by-district variations that rigid nationwide spending limits could not fairly accommodate.

I conclude that full disclosure of campaign contributions and expenditures, subject to existing limitations, is the best and fairest approach, one that lets the voters decide for themselves whether or not too much money is being collected and

spent. There should not be a limit on the widest possible dissemination of ideas and positions on issues, but I fear that would be precisely the effect of additional spending limitations however carefully designed.

Much of the debate over campaign reform has centered around the issue of drawing down on the public treasury to pay for all or part of political campaigns. I strongly oppose direct Federal campaign financing, and I doubt very much that most citizens would favor diverting hundreds of millions of tax dollars away from pressing national needs in order to underwrite politicians' campaigns.

Neither is it right to make millions of Americans pay the cost of the political activities of individuals and parties with which they might totally disagree. This even goes beyond taxation without representation. Thomas Jefferson in the Statute of Religious Freedom said that "To compel a man to furnish contributions of money for the propagation of opinions which he disbelieves and abhors, is sinful and tyrannical."

Moreover, if we outlaw private contributions, we will close the only avenue to active participation in politics for many citizens who may be unable to participate in any other way. Such legislation would diminish, not increase, citizen participation and would sap the vitality of both national parties by placing them on the Federal dole.

In addition, almost any "public financing" measure would give incumbents an unfair advantage. Frequently, a challenger must spend more than the incumbent in order to make his qualifications known and to counterbalance the incumbent's in-office financial advantages. But if the taxpayers are to put up the money,

ceilings on such spending would have to be imposed which unavoidably would penalize the lesser-known challengers.

Through the existing tax check-off for Presidential elections and political tax credit or deduction, in 1972 the Federal Treasury was subject to the expenditure of up to \$100 million for taxpayer support of political campaign activities. These programs, however, do not sever the crucial tie between the individual citizen and the party or candidate of his choice, and do not carry as great a threat of Federal domination of political campaigns.

I believe our Nation has already seen too many examples of how the use of tax dollars can lead to Federal control. By setting reasonable limits on campaign contributions, and by requiring broader public disclosure, we can guarantee that the American voters are fully aware of who is making the contributions; and the Nation can then leave it to the people themselves to judge the wisdom and propriety of these donations.

Another problem in this area warrants the early attention of Congress. The Internal Revenue Service has recently held that income earned from funds of political parties is taxable under the present Internal Revenue Code. This ruling has caused widespread confusion and uncertainty on the part of political campaign committees. I believe this situation was never intended by Congress and urge enactment of legislation removing any tax or potential tax on any income earned from political party funds.

While strong financing and disclosure laws are necessary, these alone will not ensure the reform we need. For most of the 20th century our campaign laws have not been enforced. Enforcement of the Federal Corrupt Practices Act, a measure rid-

dled with loopholes, has been all but impossible, and enforcement of the Federal Election Campaign Act is difficult because of the proliferation of committees and the lack of central reporting.

Therefore, I endorse the proposal developed in the Congress to establish a Federal Elections Commission to supervise the Federal Election Campaign Act and other election measures.

This independent commission would be bipartisan and would monitor our campaign finance and disclosure laws. It would bring under the umbrella of one agency the current oversight functions of the Comptroller General, the Clerk of the House of Representatives, and the Secretary of the Senate. Membership on the commission should include representatives of the major political parties.

In its supervisory capacity, the commission would serve as a much needed central repository for election records and would have powers to subpoena documents and witnesses to fulfill its duties. It would also be able to refer campaign violations to the Justice Department for appropriate action. The work of the commission would in no way impinge upon Congressional rights and responsibilities, but would expedite the disposition of violations and provide a coordinated supervisory role in overseeing the various election laws.

B. CAMPAIGN PRACTICES

Many people have made the point that additional Federal laws are needed to deter or punish criminal, tortious or otherwise improper activities in Federal election campaigns. Existing laws deal with vote bribery, vote fraud, spurious campaign literature and other breaches of

campaign ethics, but as in the area of campaign finance, these laws are unclear and have been unevenly and sometimes unfairly enforced through selective prosecution.

I have reviewed several recommendations in this area and conclude it is time for Federal statutes to spell out specifically the prohibition of certain campaign and election day practices. I propose that we prohibit three types of campaign practices:

—Activities which unreasonably disrupt the opposing candidate's campaign, such as the dissemination of false instructions to campaign workers and related disruptive activities, or which constitute a fraud upon the voters, such as rigging opinion polls, placing misleading advertisements in the media, misrepresenting a Congressman's voting record, or organizing slander campaigns.

—Activities which involve the use of force, such as the organized use of demonstrators to impede or deny entry at a campaign rally, or individual criminal actions which take on a special significance when they are done intentionally to disrupt the Federal election process.

—Those election day practices, such as stuffing ballot boxes, rigging voting machines, forging or altering ballots, or failing to count certain votes, all of which directly affect the electoral process in a most pernicious manner.

I realize that attempting to outlaw certain improper campaign activities requires particular attention to the First Amendment guarantees of free speech and assembly. With this in mind, I have asked the Department of Justice to draft a criminal statute designed to prohibit wrongful practices and to make them *Federal* offenses if the conduct is engaged

in with the specific intent of interfering with the Federal election procedure. I invite especially thorough debate by the Congress in this difficult area.

G. CAMPAIGN DURATION

In the campaigns of 1972, there were no less than 23 separate State primaries for the Presidential contestants. The extent and duration of these proliferating primary contests have not only extended the length of campaigning but have also materially added to its expense.

I believe deeply in the statewide Presidential primary system. It affords the public a true measure of candidates who have to take their cause to different parts of the country and face the voters with their positions on crucial issues. Because I believe in the primaries but wish to bring some sense of order to the system we now have, I agree with the proposal not to hold any State Presidential primaries or nominating conventions before May 1st of an election year, and I urge that this be done.

Even though moving primary dates later in the election year is the only specific legislative action I offer to shorten campaigns, other helpful measures can be taken without Federal legislation. One way to cut down on the cost and duration of Presidential campaigns is to delay the national nominating conventions until the month of September. I urge the leaders of both national political parties to plan now for the scheduling of their 1976 conventions at this later time.

I know that delaying the nominating conventions may conflict with certain State requirements that a nominee's electors must be selected earlier than September. Therefore, I encourage the States

having such requirements to change their laws to conform with this potential action by the national parties. I am reluctant to ask for Federal legislation in this area because it would intrude unduly into the right of each State to determine its election laws, but I am hopeful that the States will cooperate in this important effort. To this end, I am instructing the Department of Justice to give the States such assistance as they may desire in developing legislation to make this possible.

D. ENCOURAGING CANDIDATE PARTICIPATION

One of the major items on the agenda of campaign reform is the need to encourage qualified people to run for office and maintain a strong two-party system. We should never limit the voter's choice or discourage capable men and women from seeking to represent their fellow citizens.

I urge the Congress to examine its own benefits of incumbency which have mounted over the years. It would be inappropriate for the Executive to propose specific remedies in this Congressional area, but I suggest there is reason for concern over the marked advantages—federally funded—that Congressional incumbents now enjoy over their challengers. Such things as free mailing privileges, use of “public service” broadcast time, and the extensive staff and financial fringe benefits of office have made it progressively more difficult for competent challengers to have a fair chance in Congressional races. I readily concede that the Presidential incumbency advantage is also substantial, but there is some protection here in the constitutional limit on length of Presidential service. I urge the Congress to review this problem and

to develop reforms that will assure a better balance in Congressional races.

I also propose repeal of the “equal time” provision of the Communications Act of 1934 for all Federal elections. The repeal of this provision would reduce campaign expenditures by allowing the electronic media the flexibility to provide free campaign coverage to the major political candidates, and in doing so would assist our citizens in reaching sound judgments on election day.

Finally, I have asked the Department of Justice to explore the possibility of legislation to reaffirm certain private rights of public figures so that people interested in running for public office can have greater assurance of recourse against slanderous attacks on them or their families. Landmark Supreme Court decisions have severely restricted a public figure's ability to gain redress against such grievances, but I would hope that specifically defined limits can be legislated by the Congress to prevent unscrupulous attacks on public figures. These reforms are not intended to restrict vigorous debate, but to enhance it, to help give it dignity and integrity, and to improve the prospects for good and decent people who today flinch from political participation because of their fear of slanderous attacks.

III. CONCLUSION

The reforms I have urged here, and that many in the Congress are seeking as well, are designed to open up our electoral process and to correct some of its most egregious abuses.

I am doubtful that any legislation can provide the panacea that some seek to guarantee absolute integrity in the elec-

toral process. If our campaigns, like the communication of ideas in every area of our public life, are to remain free and spirited, they will frequently be caustic and hard-hitting, and some excesses and abuses will inevitably occur.

The central purpose of the reforms I suggest is to get the really important political information out to the people, to let them know as much as possible about their candidates, and to eliminate abuses which cross the boundaries of fair play.

America has had a remarkable history and tradition of campaign electioneering. Given full access to the actions and thoughts of political aspirants, the Ameri-

can people have shown great wisdom at the ballot box over two centuries of self-government. The reforms I propose today are intended to strengthen the will of the people by making our election process more open.

RICHARD NIXON

The White House,

March 8, 1974.

NOTE: Earlier in the day, the President met with the Cabinet to discuss matters including campaign reform.

On the same day, the White House released a fact sheet and the transcript of a news briefing on the proposed legislation by Counsellor to the President Bryce N. Harlow.

74 Radio Address About the American Revolution Bicentennial. *March 10, 1974*

Good afternoon:

Just 12 months from now, in March of 1975, the United States will officially begin to celebrate the 200th anniversary of our birth as a nation. As we prepare for this occasion, I want to talk with you today about some of our plans for the Bicentennial era and what it can mean for every American.

The Bicentennial offers us a unique opportunity—a time to take a long look backward, but more importantly, a time to look forward, a chance to rekindle the spirit that in 200 years built 13 small dependent colonies into the strongest nation in the world.

That will be the purpose of our Bicentennial celebration—a rededication to American values, as well as a reaffirmation of our strength and potential as a free people working together to achieve great goals, not only for ourselves but for all people in the world.

Our Bicentennial will be very different from the Centennial celebration held in Philadelphia 100 years ago. In 1876, the great attractions were Alexander Graham Bell's remarkable invention, the telephone, and the massive 40-foot high Corliss steam engine which powered the fair's machinery and brightened its grounds with electric lights, although the children attending that celebration probably thought the best invention was a brand new drink called root beer.

In 1976, there will be no single city in which we celebrate our 200th anniversary and no single exhibition of our progress. No one city would be big enough. All America will be the showcase. The Bicentennial will be in each of our 50 States and territories so that all Americans can participate in it, because this is a celebration that belongs to all Americans.

To ensure the success of the Bicentennial, strong and vigorous leadership is

needed. To provide that leadership, I will tomorrow nominate Mr. John Warner to serve as Administrator of the Bicentennial Administration. Mr. Warner has given distinguished service to the Nation for the past 2 years as Secretary of the Navy, and I know he will bring those same skills and energies to the Bicentennial Administration.

As his first order of business, I have directed Mr. Warner to prepare for me a summary and projection of all Bicentennial planning in the public and private sectors and to present them at an early meeting of the full Cabinet.

Because the Bicentennial belongs to the entire Nation, it must be a completely nonpartisan effort. In the appointments I shall be making to the Bicentennial Advisory Council and the Board of Directors, I shall insist on this principle, and I know that everyone involved will share this nonpartisan spirit.

Mr. Warner and his staff will call upon groups and communities all over America to prepare a truly national celebration. The Federal Government will help in this effort, but above all, it will be a citizen celebration. It will be successful because the people, not the Government, will make it successful, just as America's unprecedented progress over the past 200 years has been due primarily to what people have done rather than what government has done.

The Bicentennial is not going to be invented in Washington, printed in triplicate by the Government Printing Office, mailed to you by the U.S. Postal Service, and filed away in your public library.

Instead, we shall seek to trigger a chain reaction of tens of thousands of individual celebrations—large and small—planned and carried out by citizens in every part

of America. We have already made substantial progress toward that goal.

Hundreds of cities, towns, counties, and other organizations have joined the Bicentennial Communities program since it was inaugurated last summer. Thousands more have been invited, based upon their plans and projects. As of today, 482 communities have drawn up plans for participation and have been designated as Bicentennial Communities. Each of these plans includes a project to improve the life of the community in fields like art, recreation, education, and housing, not just in 1976 but for years to come.

Naturally, the urban centers that played a major role during America's early history will play a major role in the Bicentennial.

Philadelphia, which housed the Continental Congress that drew up the Declaration of Independence, has over 300 different Bicentennial projects underway, many of them located near Independence Hall.

New York City, among other projects, plans to redevelop the South Street Seaport, one of the Nation's oldest ports, and to restore several historic ships. Tentative plans have also been made for the city, in July of 1976, to play host to "Operation Sail '76," a fleet of tall, full-rigged sailing vessels arriving from around the world to honor the United States on our 200th anniversary.

Boston is restoring such historic structures as Faneuil Hall, Quincy Market, and the Old State House.

Washington, D.C., is preparing for an estimated 45 million foreign and domestic visitors with projects such as the new National Visitor Center, the Eisenhower Civic Center, Constitution Gardens, and the National Air and Space Museum of

the Smithsonian. Bicentennial plans in the Nation's Capital also include many programs that will directly benefit local citizens and increase their appreciation for America's rich and diverse heritage and enrich their daily lives—programs such as a neighborhood preservation housing project and cultural and folk art activities.

The success of the Bicentennial will be measured by the number of people who participate in it. The more people who participate, the better it will be. Citizens of Charleston, South Carolina, are setting an especially good example in this respect. In this old southern port, which served as an important military base during the Revolution, one out of every 12 citizens is already participating in Bicentennial projects and events, including the construction of a naval museum, development of a Bicentennial park, and extensive restoration of many of the city's buildings dating back to colonial days.

But a city doesn't have to be over 200 years old to participate. The American adventure that began in 1776 has kept on going ever since. It is the only successful continuous revolution in the history of the world, and every generation of America, from its Founding Fathers down to the present day, has played a part.

Take the case of Denver, Colorado. Colorado will be celebrating its own 100th anniversary in 1976 and is coordinating its local celebration with the Nation's 200th birthday. Among the goals the people of Denver have set for themselves are the completion of a new performing arts center and a new sports arena.

In my native State of California, another aspect of the American life will be explored. Individual programs will depict the Spanish-American, Black, Chinese, and Japanese contributions to Califor-

nia life—each an important part of the great American experience.

One of the finest examples of community action comes from the little town of Clarendon, Texas, where the townspeople are building a community amphitheater with bricks made by the local schoolchildren. Each brick will be signed by the child who made it and will be a part of the overall structure.

To me and, I am sure, to millions of other Americans, that amphitheater will represent, in miniature, the spirit that built America.

Our Bicentennial observance could not possibly realize its full potential or meet our high expectations without the support of the free enterprise system which has made our country what it is today—the best and strongest nation in history. Interest among private groups and organizations is developing, and we welcome their involvement.

The American Express Company, for example, has donated funds for a face-lifting of the Statue of Liberty. That historic symbol of hope in New York Harbor will get a thorough cleanup and reglazing. The company has also produced a documentary film highlighting the great contributions made to our country by the many ethnic groups who crossed the seas to find a new home in America.

Civic, youth, and religious groups, such as the Boy and Girl Scouts and the Jaycees, are also mounting voluntary Bicentennial programs.

Invitations have also been extended to 130 foreign nations, and within the next few months, many of them are expected to announce plans for exhibits and other projects in communities across the country.

There are many other projects now un-

derway as we approach the Bicentennial—from the little town of Dorset, Vermont, where a population of 300 is planning seven different programs, to the great cities like Detroit, where an ethnic festival is on the drawing boards. Each group, each community is free to set and achieve its own goals, ranging from the most serious and enduring to the most lighthearted and temporary. Given the backing of the people, these projects will succeed, and they will make our 200th birthday as a nation the most moving, most representative, and most enjoyable celebration in American history.

The Bicentennial is an almost unparalleled opportunity to enlist the talents of America—poets and planners, scholars and steelworkers, performers and participants—in a vast array of events and activities that express and strengthen America's sense of herself as a creative and great national community.

One of our greatest Presidents was also a keen historian. Long before he became actively involved in politics, Woodrow Wilson had thoroughly studied and had taught American history, and he had built a deep understanding of our origins as a free people.

"The American Revolution," he wrote, "was a beginning, not a consummation." That is exactly the way we should feel about the Bicentennial. In looking back with pride and, perhaps, a little nostalgia on our first 200 years as a nation, we must not lose sight of the future.

The Founding Fathers realized this. They gave us a set of principles and a body of laws that were designed to last—to grow and adjust with time, but to remain forever true to the basic values of freedom and individual dignity.

In celebrating our Bicentennial it is es-

sential that we, too, look ahead. We must use the opportunity the Bicentennial offers us to develop new institutions and new ideas to help determine America's course in the coming century.

We face great challenges, but in our laws, in our ideals, and in the character of the American people, we hold the keys to all the problems that confront us.

Like the Founding Fathers, we are bound to experience many problems along the way. But like them, we will have our share of disagreements and disappointments. That is the price that every free society must pay, and history shows us that it is a price worth paying for freedom.

But if we work together as men and women of good will—as Americans always have in difficult times—the best that is in all of us and in the American system will prevail.

We can build a future in which 100 years from now another generation of Americans celebrating another anniversary can look back with pride on a time when our generation insured for them a world at peace, a nation healthy and free, and a national heritage which will be a sound foundation for even greater progress in the future.

Thank you and good afternoon.

NOTE: The President spoke at 1:07 p.m. from Key Biscayne, Fla. The address was broadcast live on nationwide radio.

Following the address, the President met with John W. Warner, Administrator-designate of the American Revolution Bicentennial Administration.

On the same day, the White House released at Key Biscayne an advance text of the President's address and a fact sheet on the American Revolution Bicentennial. An announcement containing biographical data on Mr. Warner was also released and is printed in the *Weekly Compilation of Presidential Documents* (vol. 10, p. 313).

75 Remarks on Mrs. Nixon's Departure for Venezuela and Brazil. March 11, 1974

Mr. Ambassador, Mr. Minister, and all of our very good friends who have been so kind to come out here to see Mrs. Nixon off on her journey to Caracas and then to Brasilia:

Let me say, first of all, that as she leaves on this journey, that it will be not only in an official capacity—she will extend, of course, congratulations and best wishes to President Pérez of Venezuela and President Geisel of Brazil—but she will do something she has done on all of her travels around the world—she has traveled more than any First Lady in history—she will bring the best wishes of the American people to the people of all the countries she visits. And that is, of course, what we want them to hear.

And we think it is particularly appropriate that she is taking off here from Florida, because Florida is a State which knows so well the tremendous contribution that has been made to this State and this Nation by those of Latin background.

And going from Florida, first to Venezuela and then to Brazil, she will be able to see there those nations that are our closest neighbors and our closest friends. And I should emphasize that in these times when so much emphasis has been placed upon, as it should be, the new relations with the People's Republic of China and the Soviet Union, with our relations with the great countries of Europe, that we must always remember that here in this Western Hemisphere, our closest friends and neighbors are the people in

Latin America and in the Western Hemisphere, and that trip will bring that to the attention, we think, of the whole world.

And so with that, I will now turn the platform podium over to Mrs. Nixon. She says she doesn't like to make speeches, but I do know that the reporters who have accompanied her when she traveled alone to Peru and also to Africa over the past 2 years have said that she is the best ambassador the United States has. I proudly present her to you.

MRS. NIXON. Thank you.

I am so pleased that you are here to send me off in this manner. I enjoyed the high school band, Killian High School band, and all of these Scouts and school-children who are out, and the oldsters who could get away from their jobs today.

I do want to say that I shall certainly, in just 3 hours and 40 minutes, be giving your best wishes and your affection to the people of Venezuela, my first stop, and then later, on the 15th, to the people of Brazil.

I look forward to seeing you, when I can return home, and bringing you greetings from our good friends.

NOTE: The President spoke at 11:45 a.m. at Homestead Air Force Base, Fla., where Mrs. Nixon was leaving to serve as head of the U.S. delegation to inaugural ceremonies for President Carlos Andrés Pérez of Venezuela and President Ernesto Geisel of Brazil.

In his opening words, the President referred to Venezuelan Ambassador Andrés Aguilar and Brazilian Minister-Counselor Celso Diniz.

76 Remarks at the Veterans of Foreign Wars Congressional Banquet. *March 12, 1974*

Commander Soden, Congressman Mahon, all of the distinguished guests here at the two head tables and all of the distinguished guests in the audience:

I am very grateful to you, Commander, for being spoken of so eloquently and so generously and also grateful to receive this medallion which commemorates this organization's 75th anniversary, and I think that this is an occasion to perhaps pay a tribute to the VFW.

I have done it before, but I would like to do it especially because this is not only the Diamond Jubilee year for the VFW as an organization, this is the Silver Anniversary of this annual dinner for the Members of the Congress, the House and the Senate.

As you have already noted, I am a lifetime member of the VFW. I have been a member for 27 years, so I know the organization well. And I believe I can safely say that I have addressed more dinners, conventions—State and national—of the VFW than perhaps any public figure in America today, and I am proud to have had that opportunity.

I know this organization in public life as Vice President for 8 years and also as President for 5 years. I also have known it in private life. But there is one thing I particularly want to emphasize in terms of what this organization means to anyone who serves in the highest office of this land. It is very simply this: The VFW is an organization that when the hard decisions are made by a President of the United States, you can always count on this organization to stand above partisan interest and for the national interest. That is the VFW.

And in that long and difficult war to which you have referred, when at times there were even hundreds of thousands of people who were marching around and on the White House—as I have often recalled, I didn't have to call the commander of the VFW, the national commander to ask for his support, he called me, and that is the way the VFW is when this country needs support.

It seems to me very appropriate, therefore, that the award, your annual award to the Member of Congress, should go to George Mahon of Texas. I would like to refer to him tonight in tandem with the man who was to receive it last year, who did receive it, but who could not be here for reasons that we are aware, and let us say that we are all thankful that John Stennis is back in the job as chairman of the Armed Services Committee.

I have had the privilege of knowing both of these statesmen for 27 years. George Mahon has served for 40 years at the end of this year in the House of Representatives. As you can see, he married a woman much younger than himself.

But one thing that George Mahon and John Stennis have in common is this: They are both very loyal members of their party, but I can assure you that when the strength of America is involved, when the honor of America is involved, when respect for America is involved and a President of the United States, be he Republican or Democrat, has to make a decision involving the strength or the honor or respect for America, these men always put America first and party second. That is the kind of men we have in your two honorees.

And so, I therefore am proud to be here as your guest, but also proud to be here to join you in honoring them. Since you have remarked about the progress that has been made toward peace, I would like to say just a word—without impinging upon Congressman Mahon's time, because we will want to hear, of course, from him primarily—about where we stand and what we have to do if we are going to achieve our goal of a generation of peace and, we would trust, much longer than a generation of peace.

We have ended America's longest and most difficult war, as you have pointed out. We have assisted in bringing about a time of peace in the Mideast with the possibility of building a more permanent peace in that troubled area of the world where, incidentally, the hatreds go back more than 50 years, they go back 1,000 years.

We also have begun a new relationship with those who lead one-fourth of all the people who live on the face of this Earth. We have also begun a different relationship with those who lead the Soviet Union, who have been in constant confrontation with the United States since the end of World War II.

And when we think of these things, sometimes it is very tempting to say the United States has carried such great burdens in World War I, World War II, then Korea almost by ourselves, in Vietnam by ourselves, and in all of these four wars fought in this century, we fought them, we lost our young men, we paid out great sums of money, we received nothing in return insofar as territory or conquest was concerned.

We helped rebuild not only the lands of our allies but those of our enemies, until

now, they are competitors in the free world. All this we did, and there are those who would suggest, now that we have peace in Vietnam, a new relationship with the Soviet Union and a new relationship with the PRC and the beginning of, possibly, peace in the Mideast, why can't the United States turn only to its problems at home—or primarily to them—and away from these great world responsibilities that we have carried.

It is very tempting to suggest that because there are so many things we would like to use, money that we could cut from our defense budget, here at home—but let me talk very directly to that point, to an audience that I know needs no persuasion on it but it needs—all of us need to be reminded of why.

We need to be reminded of what peace is in today's world. Sometimes we conclude that once you get peace, that is it, and then we just relax. But in the kind of a world in which we live, with great, powerful nations with totally different systems of governments and different interests, peace is never something that is achieved once and for all and then can be taken for granted. Peace is a continuing process, and the key to whether that process will work is in the hands of the United States of America.

I want to say to you, my friends of the VFW and all others listening, that the cause of peace is in good hands, good hands because, while we are the most powerful and the richest country in the world, we have no designs on any other country, no other country fears that we are going to use our power to take away their freedom. They know that we will only use it to help them defend freedom. No other country fears that we will break

the peace; we will only use it if it was in order to help deter war and keep the peace.

But the key to the United States to be able to play the role of peacemaker in the world lies in strength. Military strength is part of it, the strength of our will is part of it. The respect that we have as a nation is part of it, respect for ourselves and respect of other nations that we gain by how we conduct ourselves in the world.

But in terms of peace in the years ahead, we must remember that—as distinguished before World War I, when we could look across the ocean and look at other nations, then the British and the French, who were powerful and could carry the burden until we came in, and in the World War II when we could look to other nations, then again the British and the French before they were taken over, and let them hold until we came in—today the world has changed. And whether we like it or not—and many Americans perhaps do not like it—we do not like the burden, because we would like to get it lifted from us. But this is the fact of international life.

There is no other nation in the free world that has the strength, that has the respect to help keep the peace and play the great role, an honored role of peacemaker in the world, whether it is in the Mideast or any other part of the world.

Let me put it quite directly: When we talk about budgets, on which Chairman Mahon is one of the premier experts, not only in the United States and the world, I am not suggesting that they are sacrosanct. But I do know this: that in terms of the defense budget of the United States, it is essential that at this particular time when we finally have achieved peace, that the United States keep the strength that

we need to keep the peace.

It is particularly essential that we not listen to those who say that we should unilaterally reduce our forces when others who are equally strong do not reduce theirs. Only when others mutually agree to reduce theirs do we reduce ours. Putting it quite bluntly, let us be sure that the United States never in this time becomes the second strongest nation in the world.

And in using that term, it is not said in any sense of jingoism, but only because that is the key to peace, the strength of America properly used, as it has been used in this century, for that great cause.

Could I now say a word to these 53 winners. I know there was only one tonight, Mr. Russo from California,¹ but let me say that I consider all 53 to be winners. You won in your own States or territories, as the case might be. You have come here to Washington, and although you may not have been first today, remember, you can lose one time and win the next. I know; I'm an expert on that.

So, keep trying, keep working, and we all know that we need each and every one of you, each of the young men and young women here. We need you in American public life, and the fact that you are starting so young, with so much idealism at this period, speaks well for the future of our country.

Sometimes you may hear it said that this is rather a poor time for someone to be young in America because of all the burdens that we have, some of which I have referred to, at home and abroad. But don't you believe it. The fact that America does have this burden—the fact that

¹ Steven B. Russo, of Santa Clara, Calif., was first-place winner in the VFW's "Voice of Democracy" oratorical contest on the theme, "My Responsibility as a Citizen."

America does have in this burden the opportunity to help build what the world has not had in this century, a generation of peace for ourselves and for 3 billion people, this makes this a great time to be living in America, to be young.

Our heritage, the one that we want to pass on to you, is a generation of peace. And I can assure each and every one of you that in the 3 years that I have in this office remaining, that one goal will be mine above every one else, and that goal is to help build a peaceful world, one which you can inherit and which you then can build on and pass on to the next generation. And we can achieve that goal, I can assure you. We can achieve it with the support of great patriots like Congressman George Mahon, Senator John Stennis, and the others gathered up here. And we can achieve it with the support of patriotic organizations like the Veterans of Foreign Wars.

But above all, we shall achieve it be-

cause the American people, even at a time that we are almost 200 years old, has still not forgotten that when we were very young and very weak and very poor, we meant something to the rest of the world that could not be measured in terms of strength or wealth. America had a meaning far beyond itself, and those who founded this country knew it.

Today we still have that same meaning. And at a time that we have become rich and that we have become strong, let us be worthy of the spirit of those who founded this country. If we are worthy of that spirit, the next 200 years can be greater than the first 200.

Thank you.

NOTE: The President spoke at 8:46 p.m. in the Sheraton Park Hotel Ballroom.

Ray R. Soden, national commander-in-chief of the Veterans of Foreign Wars, introduced the President. His remarks are printed in the *Weekly Compilation of Presidential Documents* (vol. 10, p. 314).

77 Message to the Congress Transmitting Annual Report of the United States Arms Control and Disarmament Agency. *March 13, 1974*

To the Congress of the United States:

Technology in the Nuclear Age has become capable of virtually global devastation. We are thus called upon as never before in the history of American diplomacy—both by our traditions and by unprecedented responsibilities—to assume a role of leadership in seeking international arms restraints. This is a most important element of that structure of peace which is the broader goal of our foreign policy.

The coordinating instrument for this effort within our Government is the U.S. Arms Control and Disarmament Agency,

now entering its fourteenth year. It has been the policy of my Administration to strengthen this Agency and to equip it for the essential role it must play in promoting our national security.

The year 1973 was a time of sustained effort and continued progress in arms control, building upon earlier achievements and laying the ground for future agreements which will be of utmost importance for our security and well-being.

It is with deep satisfaction in our continuing progress that I transmit to the Congress this thirteenth annual report of

the U.S. Arms Control and Disarmament Agency.

RICHARD NIXON

The White House,
March 13, 1974.

NOTE: The message is printed in the report entitled, "Arms Control Report, 13th Annual Report to the Congress" (32 pp. plus appendixes).

78 St. Patrick's Day Message. *March 14, 1974*

OF ALL the ethnic and cultural strands that make up the rich fabric of American culture, none is more distinctive and at the same time more harmonious than the rich emerald green of Ireland.

Irish wit and warmth, grace and charm, have enriched our literature, our music, and of course, our politics, and by so doing have added immeasurably to the texture of American life.

On this St. Patrick's Day, Patricia Ryan Nixon and I join with all Americans in

celebrating that sparkling joyfulness and love of life that represent one of the very finest features of the American national character, a feature that in large part has been bequeathed to us by the sons and daughters of the Emerald Isle.

RICHARD NIXON

NOTE: On March 17, 1974, Ambassador John G. Molloy of Ireland called on the President at the White House to present a St. Patrick's Day gift of shamrocks in a Waterford crystal vase.

79 Question-and-Answer Session at the Executives' Club of Chicago. *March 15, 1974*

President Clark,¹ Mayor Daley, all of the distinguished guests on the platform, and all of the distinguished members and guests of the Executives' Club of Chicago:

I appreciated the introduction. However, as I told President Clark, I not only spoke when I was in office as Senator and also as Vice President, but this club was good enough to invite me when I was out of office, and that I appreciated very much.

Also, I was told this was the first time that a President of the United States has ever addressed this club while in office.

¹ William N. Clark was president of the Executives' Club of Chicago.

I appreciate that honor, and in reciprocation, let me say that after I have completed my term of office, which I expect to do 3 years from now, I will be back.

Now, because I have appeared before this organization on three different occasions, I have heard from your members what you like in the way of speeches and questions and answers. And usually you have said that the speeches are too long and the time for questions is too short.

So, consequently, following that very good advice, and speaking from that experience, I shall not make an opening statement today. I figure that most of the questions will be long enough.

So, under the circumstances, I shall

turn immediately to your questions, and you shall have the entire period of approximately 50 minutes for questions.

I understand that they have asked me to turn left. It is very hard for me to do so, but I will for the first question.

QUESTIONS

YOUNG PEOPLE IN POLITICS

[1.] Q. Mr. President, would you encourage young people to get into politics and, if so, how?

THE PRESIDENT. I know there is a tendency these days for some young people, because of the situation that politics appears to be a profession—and I use the word “profession” very advisedly and very directly—a profession where there are those shares of mistakes which become highly publicized and where the political man or woman is subject sometimes to unfair criticism and, in any event, to a standard of conduct that is even higher than that of most people, there is a tendency of young people to throw up their hands and say, “Let somebody else do it, we are going to do something which suits us more,” or, you know, the common saying is, “We want to do our own thing.”

I would urge young people to get into politics in America for several reasons. First, if they don’t like the way the political system works, the way to do something about it is not to stay out and whine about it, but to get in it and change it; second, because this is a great time to be in politics in America. I realize there are those who would question that, question it because of the problems we confront at home and those that we confront abroad.

But today, what America does in meeting its own problems at home and what America does or fails to do in providing leadership which, having now won a peace, will keep the peace for a generation and longer abroad, what America does is absolutely indispensable.

This is a great challenge, and if I were a young person and had the opportunity to get into politics, I would want to be in there working in politics rather than on the outside.

Now, that doesn’t mean everybody should get in and run for office. There isn’t room for everybody to run for office. But it does mean that every young person should participate, either by actively being in politics, or by supporting the candidate of the party of his choice. And while he will have his disappointments—he will win some; he will lose some; I am an expert on both—I can assure you that getting in and participating can be a mountaintop experience and particularly in America at this time when what we do in America will determine the future for 200 million Americans, but the future for 3 billion people on this Earth.

COOPERATION WITH SPECIAL PROSECUTOR AND HOUSE JUDICIARY COMMITTEE

[2.] Q. Mr. President, you have said on many occasions that you are willing to cooperate with the Special Prosecutor and Congress in this Watergate situation, but going beyond a certain point might tend to weaken the future constitutional relationship between the Presidency and Congress. Now, I agree, but I think there is a great deal of confusion among the public and maybe not enough of a point made. And I wonder if you would care to make

a few additional comments on that point.

THE PRESIDENT. Well, first with regard to cooperation, as you probably are aware, we have cooperated with the Rodino committee, the Judiciary Committee of the House of Representatives, by my directing that all of the materials that were furnished to the Special Prosecutor have been turned over to the Judiciary Committee. That includes 19 tapes of confidential Presidential conversations—an unprecedented turnover of confidential materials—over 700 documents, and in addition to that at the request of the committee, we have turned over from five different executive departments and two agencies several caseloads of documents covering items of everything from Cost of Living Council decisions with regard to the price of hamburger to oil and import quotas.

The question now, of course, arises, is why not more? Because the committee, or at least the staff members of the committee and the chairman of the committee have indicated that they would like 42 more tapes, they would like more documents, and in addition to that, that they would like an index of every document in the White House over the past 5 years so that their staff can determine what other documents or other information they need in order to find out whether there is an impeachable offense.

Now first, being reasonable, it seems to me, would be that the committee should first examine what it has, because Mr. Jaworski, the Special Prosecutor, said that he had what he considered to be the full story of Watergate, and we want the full story out.

It has been before the Special Prosecutor; it is now before the committee.

Second, with regard to additional re-

quests, there are those who, I think, very logically would raise the question: Well, why not just give the members of the Judiciary Committee the right to come in and have all the tapes of every Presidential conversation, a fishing license or a complete right to go in and go through all the Presidential files in order to find out whether or not there is a possibility that some action had been taken which might be and might result in an impeachable offense.

The reason why we cannot go that far, the reason why we have gone probably as far as we have and even in going that far have weakened the Office of the Presidency is very simply this: It isn't a question that the President has something to hide; it is the fact that every President—Democrat and Republican—from the founding of this Republic, has recognized the necessity of protecting the confidentiality of Presidential conversations with his associates, with those who come to see him, be they Congressmen or Senators or people from various parts of the country to give advice. And if that confidentiality principle is completely destroyed, future Presidents will not have the benefit of the kind of advice that an executive needs to make the right decision. He will be surrounded by a group of eunuchs insofar as their advice is concerned, always fearful that sometime in the future if they happen to have given an opinion which turned out to be wrong that then they would be held responsible for it—wrong, I am not referring to being illegal, but wrong in terms of whether or not it worked.

In order to make the right decision, you have to have opinions expressed very freely, discussed very freely from a completely wide range. And it is that confi-

dentiality that Presidents have fought for, that Jefferson fought for, and other Presidents through the years.

As far as I am concerned, I have cooperated with the Special Prosecutor. I will cooperate with the Rodino committee, not only by this turnover of documents that I have just referred to but also with regard to agreeing to answer any written interrogatories that they have under oath, agreeing to answer any questions that the chairman and the ranking member might have after they have looked over everything that we have turned over. But when you come to the point of simply saying to a committee of Congress without regard to relevancy, before they determine what they say is an impeachable offense, "Just come in and paw through the documents," it would lead to two things. One, it would delay the resolution of this matter for months, and for that matter perhaps years, in my opinion, before they would get through it all. And as I said in my State of the Union Address, I think one year of Watergate is enough.

But even more important than the delay is that if you erode the principle of confidentiality to the point that any adviser to a President or anybody who talks to a President does (has) no assurance whatever that what he says will be kept in confidence, he isn't going to get the kind of advice, the kind of criticism—and we get a lot of that when people come into the office as well—that he needs to make the right decision. And as far as I am concerned, I will cooperate as fully as I possibly can to get a prompt and just resolution of this matter.

And second, however, I will do nothing to weaken the Office of the Presidency, because we need a strong President at this time rather than a weak one.

VOTE OF CONFIDENCE PROVISION

[3.] Q. Mr. President, do you see any possible future merit in the United States adopting some form of vote of confidence provision within its Presidential selection laws?

THE PRESIDENT. A vote of confidence—I couldn't quite hear the question.

Q. A provision for a popular vote of confidence within its laws, that perhaps—

THE PRESIDENT. You mean a national vote of confidence?

Q. — between elections a vote of confidence might be held at some future time, for the future?

THE PRESIDENT. There are those who have suggested that. As a matter of fact, you remember when President Truman was rather low in the polls and, I think the year was around 1947 or '48—Senator Fulbright, a member of his party, suggested that he should resign and set up some sort of a coalition.

Senator Fulbright, of course, having been educated in England, was thinking of the British system and thought that we ought to have it here. Well now, I think the Founding Fathers made a very good decision when they rejected that and when they indicated that a President was elected for 4 years and that he would be removed from office only as defined by the Constitution when found guilty by the Senate of the United States of high crimes, including, to be quite specific, the crime of treason, bribery, or other high crimes and misdemeanors.

Now, the reason that they rejected that was that they felt that there was a need for stability in the Chief Executive. They did not want the instability that would happen insofar as the so-called vote of

confidence always hanging over the President.

Now I come to the other point. The reason why I think the Founding Fathers are right, or were right at that point, is that if a President is always watching the polls to see what he should or should not do, he will be a weak President and not a strong President.

Some of the best decisions ever made by Presidents were made when they were not too popular. And I can only say that as far as I am concerned, I believe that the American system is a good one.

In this time, particularly, it is essential that when our Presidents are elected by the people, they are in for 4 years. At the end of 4 years, the people have then the right to turn them out, and of course, we always have the safeguard of the Congress.

The Congress can turn down proposals that a President may offer that they may disagree with, but I do not think a vote of confidence coming up with the people or the Congress, for that matter, being able to throw a President out because he happens to be unpopular, would be in the national interest, apart from the President's interest.

ENERGY SELF-SUFFICIENCY

[4.] Q. Mr. President.

THE PRESIDENT. This is the first time a woman has ever asked a question, at least when I have been to the Executives' Club.

Q. I am the first lady, so to speak.

Since it is now the objective of the United States to achieve self-sufficiency in the field of energy, do you foresee Federal encroachment into private business, and secondly, in attaining this goal, how much

Federal money will be put into the economy annually?

THE PRESIDENT. Well, as far as the Federal role in energy is concerned, I think that I can say safely that it is minimal insofar as meeting the problem. Now, when I say minimal, \$15 billion over the next 3 or 4 years, to Bob Mayo or Dave Kennedy² isn't going to sound like minimal, and that is what we plan to spend.

But in the next 5 years, while the Federal Government will be spending probably \$15 billion in order to help achieve the goal of self-sufficiency in energy, private industry, it is estimated, will spend at least \$200 billion. And over the next 10 years, it is estimated that private industry will spend at least \$500 billion in order for the United States to become self-sufficient in energy.

Let me, in a word, point out how important that is to those who don't think simply of the short-term difficulties we have in our economy, but look down the long road as to the future of America.

That future is good. It is going to be strong. Many people have often spoken of how much the Manhattan Project did to boost the economy of America, and it did help. Others have spoken of how much the space program did to boost the economy of America, and it did help. But they were both solely Government enterprises.

The way America moves forward is not so much—as a matter of fact, it is not primarily due and has never been primarily due to what Government does. The way to get this country moving is to energize private industry, and that is why \$500 bil-

² Executives' Club members Robert P. Mayo and David M. Kennedy had served in President Nixon's first Administration as Director of the Budget (1969-70) and Secretary of the Treasury (1969-71), respectively.

lion from private industry is the way for America to become self-sufficient.

Oil Companies and the Energy
Shortage

[5.] Q. Mr. President, yesterday Mr. Meany somewhat formally charged that the oil shortage was a contrived shortage, or at least I think he said half-contrived. Up to that time, most communicators and most forms of communication had discussed the possibility, and the man on the street had very freely said the oil companies created it. Does this Administration believe that the oil companies exploited a situation and pushed the prices to unbelievable highs and really took advantage of the American people?

THE PRESIDENT. Well, first, speaking of the unbelievably high prices, I was talking to somebody who had just taken an automobile trip from Paris, down through Austria and then into Rome. He averaged \$1.35 for gasoline. We are not going to go that high, I can assure you.

The second point, with regard to a so-called contrived energy crisis, manipulated by the big oil companies, now let me just make one point very clear: Politically, it would be very easy to stand here and blame it all on the oil companies—and they are certainly looking after their interests—but I would also say that as far as this Administration is concerned, this is not a contrived matter.

The energy problem has been one that has led to our economic difficulties. It is one of the primary reasons we have an inflationary spiral at the present time. It is one of the primary reasons for the difficulties in automobile sales and for adding to the difficulties that we have in housing which, of course, began previously because

of higher interest rates and other reasons.

What I would say, in answer not to Mr. Meany, but to many other people who probably don't have the facts or want to believe or do believe that you can blame the oil companies for something that has gone wrong, but what I do want to say is this: There is an energy shortage in America. That energy shortage has been dealt with very effectively by this Administration.

When it first reached a crisis point because of the Mideast oil embargo, there were projections made—you probably saw some in your local newspapers, as well as heard them on television and radio—that we would have 8 to 10 percent unemployment. We haven't reached that. It is 5.2 percent at this point. And we, of course, hope to continue to fight that battle effectively.

The second point is that, as far as the energy crisis is concerned, which we are moving through—and we have, I believe, broken the back of it, although it will still be a continual, nagging problem until we become self-sufficient—but the second point with regard to it is very simply this: that the whole world has become more prosperous, the whole world demands more energy, and even if there had not been an oil embargo from the Mideast, we would have an energy problem.

I said that over a year and a half ago and have kept repeating it to the Congress. Now, the thing to do, rather than to blame the big oil companies and say they could do something about it—they could if they had the oil—the thing to do is to develop the resources of this country so that we don't depend on any foreign country for our energy.

The second thing to do, incidentally—and I would urge Mr. Meany and all

other people who want to do something about it—is to urge the Congress to act on 17 different measures which I have submitted to them, which will help to make the United States self-sufficient.

How are you going to do it? The way to do it is to increase supplies. We should deregulate natural gas, which is the cleanest fuel, for example, that we have. We should move on the environmental field to relax some of those inhibitions so that we can develop our coal resources and use our coal.

We should do that because the United States is blessed with having approximately half the coal in the world, and we are foolish not to develop it, and we can eventually develop a clean fuel out of coal.

And third, we should move to develop those energy sources. I refer to shale oil; I refer to the Elk Hills and others which exist in the United States in great abundance. In the long term, of course, we must move forward with the development of nuclear power.

It is disgraceful that the United States, that broke the secret for the atom and was first in that field, has been so far behind in developing nuclear power for peaceful uses, because it is clean fuel and it is safe fuel, and we should move forward in that area as well.

There are others that I could mention, but I can only say, in conclusion, this: We would rather not have had the energy crisis. I would like to be in Mr. Meany's position and be able to blame the oil companies. What politician wouldn't like to put it off on somebody else?

But I have to tell the truth. The truth is, there is an energy shortage. The way to deal with that shortage is not to demagog about it, but do something about it, and it is time for the Congress to get off its some-

thing and do something about it right now.

THE OIL EMBARGO AND GASOLINE SUPPLIES

[6.] Q. Mr. President, I am a Republican State senator from Illinois, and I want to tell you, before asking my question, sir, that in my district you are thought of belovedly by thousands of people, and I think you need to hear that.

THE PRESIDENT. Perhaps you should tell your United States Senator that. *[Laughter]*

Q. Mr. President, I don't think I will reply to that. However, I would like to ask my question now.

In my Senate district in Will County, there are portions of it that have had a tremendous difficulty in obtaining fuel—gasoline—and I am wondering, Mr. President, now that the Arab embargo seems as though it is about ready to be lifted, that whether by summer the people, not only of my district but throughout the State of Illinois, can look to having gasoline readily available?

THE PRESIDENT. First, with regard to the embargo, I think it is well for us to put that in perspective. We have had no official report from the meeting of Arab oil ministers with regard to what action is going to be taken with regard to lifting the embargo.

There are, of course, sources that have indicated that some action will be taken perhaps this weekend.

Second, there are also indications that that action might be conditional, that they may raise the embargo, but on the condition that they might reimpose it unless the United States came through in terms of working out a settlement of the political problems, the very difficult ones, that exist

in the Mideast—the disengagement on the Syrian front, the problem with Jerusalem, and all the others to which we are dedicated in working for a solution and where we are working for it.

I want one thing very clearly understood, and then I will come to the key point about your district and its gasoline shortage. I want it understood that we want the embargo lifted. I also want it understood that as far as the United States is concerned, we want a permanent peace in the Mideast. We will work toward that end whether the embargo is lifted or not.

And we have made progress in that field, and as far as those who, incidentally, support the State of Israel, as I do, it is in Israel's interest to have the United States a friend of Israel's neighbors rather than an enemy of Israel's neighbors. And for that reason, we believe that permanent peace in the Middle East and working toward the disengagement and resolving this long crisis is in the interest of world peace, because it also avoids that flash-point of world conflict that might come where the two major powers, the United States and the Soviet Union, happen to be involved.

But the United States, as far as the embargo is concerned, is not going to be pressured by our friends in the Mideast or others who might be our opponents to doing something before we are able to do it. And I would only suggest that insofar as any action on the embargo is taken, that if it has any implications of pressure on the United States it would have a countereffect on our efforts to go forward on the peace front, the negotiation front, because it would simply slow down, in my opinion, our very real and earnest efforts to get the disengagement on the

Syrian front and also to move toward a permanent settlement.

Looking toward the future, I would say, first, we will be getting some more oil from the Mideast, we will be getting it probably because some action may be taken on the embargo. It eventually will come because it is in their interest to do so. But further, even if no action is taken or if the action is conditional, it is our belief that at this time, having passed through the winter—and we were blessed by favorable weather in the winter except for the last 2 or 3 days during the month of March here in Chicago and other places which were a little cold—but in any event, having passed through this period we believe that the gasoline lines which have been very long have now shortened down. We have been able to make allocations, more allocations, move them from the distillates which were essential to keep our economy going so that we would not have increased unemployment, move those allocations to more gasoline.

And as I told Mayor Daley driving in, in the car, Mr. Simon is watching the situation in Chicago very closely. In the Chicago area as well as other areas of the country, if shortages occur, we believe we will be able to handle them so that there will not be an undue problem for your constituents.

THE 1976 PLATFORM

[7.] And incidentally, let me be sure that no one misunderstood my remarks about Senator Percy. He obviously has the right that anybody has to be a candidate for the nomination for President of the United States. He has great ability as I have often pointed out. I would only suggest that as far as what I can do about it,

that in 1976 what I am concerned about is that whoever is the candidate on the Republican ticket, that I want him to be able to run on a good platform.

In 1968 when I ran, we had a war where 300 Americans were being killed every week. There were prisoners of war who hadn't come back for over 5 to 6 years. We had riots in our cities, and burnings. We had disturbances on our campuses, the rate of crime was going up, and we were moving into a highly inflationary period. We hadn't had prosperity without war for over 10 years.

In 1976, it is my belief that if we hold to our course on the economy and if we continue to move forward on the world front, that this is what Senator Percy or whoever gets the nomination will be able to run on: One, a world at peace, with the United States at peace with every nation in the world, and with the United States having played the role to move toward negotiation with the Soviet Union, rather than confrontation, which would avoid what neither the Soviet Union or the United States wants—nuclear self-destruction.

That the United States had been responsible for starting communication with the leaders of one-fourth of the people in the world who live in the People's Republic of China, not a great military power at the present time, but an enormously potential power in the future, and if we don't move now, moving later could be disastrous and impossible.

And third, I want this candidate, whoever he is, to be able to run on a platform where we have prosperity in this country, without war and with inflation cut down, with the rise in crime turned around, as it has been over these past 5 years—it is finally beginning to come down—with

the rise in use of drug addiction coming down, as it has been in the past year after going up for the past 12 years before that, and with a program in the field of welfare in which we finally make it more profitable to go to work than to go onto welfare in this country, and a program in the field of health, where every American will have the opportunity to get the best health care that is available in the world, but where we do it through the private medical profession rather than setting up a huge Government program which would have the doctors working for the Government rather than for the patients.

Now, if we can accomplish some of those goals as well as some of the others I laid out in the State of the Union, whoever the candidate is in '76—and I wish him well, whoever it is—we will have a good chance to win. If we don't work out those problems, it isn't going to make any difference who gets the nomination. The candidate from Mayor Daley's party will win.

WATERGATE AND THE QUESTION OF RESIGNATION

[8.] Q. Mr. President, forgetting all other considerations of whether the Watergate situation was or is as publicized or not because it is still in the process of being litigated, do you not think that the entire incident has begun to affect the quality of life in this country, particularly the great deal of uncertainties that people have about it, and also has begun to affect the concept of ethics, particularly in our young people? And for these reasons alone, would it not be better that you resign at this time and allow yourself the public forum as a private citizen to answer all accusations on all parts?

THE PRESIDENT. Now, ladies and gentlemen, that is a perfectly proper question, and it has been raised not only by the gentleman who asked it but by several respected publications in this area as well as in other parts of the country, and some Members of the Congress as well.

Let me respond to it, first, by saying that of course Watergate has had a disturbing effect, not only on young people but on other people. It was a wrong and very stupid action to begin with. I have said that; I believe it now.

Second, as far as Watergate is concerned, it has been carried on, it has been, I believe, overpublicized, and a lot of charges have been made that frankly have proved to be false.

I am sure that many people in this audience have read, at one time or other, either in your news magazines, possibly in a newspaper, certainly heard on television and radio such charges as this: that the President helped to plan the Watergate thing before and had knowledge of it; that the President was informed of the coverup on September 15 of 1973 [1972]; that the President was informed that payments were being made on March 13 and that a blackmail attempt was being made on the White House on March 13, rather than on March 21 when I said was the first time those matters were brought to my attention; that the President had authorized the issuance of clemency or a promise of clemency to some of the defendants and that the President had ordered the burglarizing—again, a very stupid act apart from the fact of its being wrong and illegal—of Dr. Ellsberg's psychiatrist's office in California.

Now, all of those charges have been made. Many of the Americans, perhaps a

majority, believe them. They are all totally false, and the investigations will prove it, whatever the Congress does. The tapes, et cetera, when they all come out, will establish that they are false.

The President learned for the first time on March 21 of 1973 that a blackmail attempt was being made on the White House, not on March 13. The President learned for the first time at that time that payments had been made to the defendants—and let me point out that payments had been made but, correcting what may have been a misapprehension when I spoke to the press on March 6 in Washington, it was alleged that the payments that had been made to defendants were made for the purpose of keeping them still.

However, Mr. Ehrlichman, Mr. Halde-
man, Mr. Mitchell have all denied that that was the case, and they certainly should be allowed the right in court to establish their innocence or guilt without our concluding that that was the case.

But be that as it may, Watergate has hung over the country, and it continues to hang over the country. It will continue to as the Judiciary Committee continues its investigation, not of the voluminous documents only that we have already presented to the Special Prosecutor, not only of all the material they have from the Ervin committee that has conducted months of hearings—and they have access to that—but in addition, scores of tapes and thousands of documents more, which would mean that not just 1 year but 2 years or 3 years, we are going to have this hanging over the country.

That is why I want a prompt and just conclusion and will cooperate, as I indicated in answer to the first question, with the committee, consistent with my respon-

sibility to defend the Office of the Presidency to get that prompt and just conclusion.

Now, under these circumstances, because the impression has been created, as you have very well indicated, doubts, mistrust of the President—I recognize that—why doesn't the President resign? Because if the President resigned when he was not guilty of charges, then every President in the future could be forced out of office by simply leveling some charges and getting the media to carry them and getting a few Congressmen and Senators who were on the other side to exploit them.

Why doesn't the President resign because his popularity is low? I already have referred to that question. Because if the time comes in this country when a President makes decisions based on where he stands in the polls rather than what is right or wrong, we will have a very weak President.

The Nation and the world need a strong President. Now, personally, I will say finally, from a personal standpoint, resignation is an easy copout. Resignation, of course, might satisfy some of my good friendly partisans who would rather not have the problem of Watergate bothering them. But on the other hand, apart from the personal standpoint, resignation of this President on charges of which he is not guilty, resignation simply because he happened to be low in the polls, would forever change our form of government. It will lead to weak and unstable Presidencies in the future, and I will not be a party to the destruction of the Presidency of the United States.

DÉTENTE

[9.] Yes, sir.

Q. Mr. President, you have often stated,

and you have so this afternoon, that one of the objectives of your Administration is to achieve world peace through pursuance of a policy of détente.

Some of us are concerned that in our pursuit of détente, America's domestic and foreign positions are being eroded. It seems apparent to some of us that our definition of that term and the definition of the term as given by the Russians seems to diverge, particularly when we seem to be making all the compromises and they seem to be participating in a policy of arousing animosity and inciting nations. Could you comment on this?

THE PRESIDENT. With regard to the policy of détente, let us first understand that whether it is with the Soviet Union or the People's Republic of China, neither side—and I have met the top leaders of both—has any illusions about our vast differences as far as philosophy is concerned.

Second, the fact that we have negotiation rather than confrontation does not in any way imply that we approve of their internal policies or for that matter that they approve of ours.

Third, when we say that the policy of détente has been two for them, in effect, and one for us—I think that is short-handing what you said, but I think properly so—I think that what we must understand, first, is what the policy of détente has accomplished.

The war in Vietnam has been brought to a conclusion. It was not easy for the Soviet Union and other powers concerned not to move in there in order to avoid that war being brought to a conclusion, which was honorable for our side, not only honorable but which kept for the people of South Vietnam, 17 million, kept them from having a Communist government

imposed upon them against their will.

Second, the Mideast. The United States and the Soviet Union had great differences in the Mideast. It is far better that when those differences reached a climax in October, that I was in direct communication with Mr. Brezhnev and that we did not allow those differences to bring us into what could have been a military confrontation disastrous for the whole world.

Third, the limitation of nuclear arms, we have had SALT I and SALT II, and we will have SALT III in our meetings with the Soviet leaders this year. That is far better than to have a runaway nuclear arms race. That is in their interest, yes, but it is certainly in our interest.

And finally, the alternative to détente. There are those who say because of the way the Russians treat their minorities, we should break off our relations with them, we should not trade with them, we should deny them credits, and then maybe they will change. Well, first, they aren't going to change if we do that. It will have exactly the opposite effect.

But the second point is, if we go back to the old policy of confrontation, not negotiating to limit nuclear arms and other arms possibly in the future, not negotiate with the hope of resolving differences at the conference table rather than on the battlefield, then what you have to do is to face the necessity for the United States to enter an arms race, and instead of an \$8 billion increase in the arms budget, you would have \$100 billion increase in the arms budget. And eventually you would confront what would be a massive crisis between the Soviet Union and the United States in the Mideast, in Europe, possibly even in the Mediterranean, as well as in

the Caribbean area, where our interests are in conflict.

I would simply conclude my answer with this: Nobody, I know, will question my credentials with regard to the Soviet system and my disagreements with it. I would also say, however, that I have learned that it is much better to have your voice heard within the Kremlin than outside.

One of the problems that has concerned me, sir, has been the fact that many complaints very properly have been made with regard to the treatment of minorities in the Soviet Union and particularly those of the Jewish faith.

Let me tell you the figures. Before we started talking to the Soviets in our period of negotiation, 400 Soviet Jews a year got out. In the first year of our talks, 17,000 got out. Last year 35,000 got out.

Now, they still aren't doing what we would do or what we would want them to do, but it is far better to have the voice of the President of the United States heard from within the Kremlin than the outside, because those walls are mighty thick, I can tell you.

So, therefore, let us continue to talk to them, so we won't have to fight them.

DEFINITION OF IMPEACHABLE OFFENSE

[10.] Q. Mr. President, there is a debate over the definition of an impeachable offense. Should this question be determined by Congress or the judiciary?

THE PRESIDENT. I think it is determined by the Constitution. And I think the Constitution very clearly, as Mr. St. Clair, our very able counsel, pointed out in his brief to the Judiciary Committee,

the Constitution in this case defines an impeachable defense [offense], as I indicated earlier, as being treason, bribery, or other high crimes or misdemeanors.

Now, this President is not guilty of any of those crimes, and as far as the Congress is concerned, it would seem to me that, particularly, members of the Judiciary Committee—all schooled in the law—would want to follow the Constitution, rather than to broaden that definition to include something that the Constitution-framers did not have in mind.

INFLATION

[11.] Q. Mr. President, I am very tired of Watergate, too, and am far more concerned with one of the worst problems facing us today, inflation. And while we have a much lower rate of inflation in this country than the rest of the world, what can the Government or the average American person do to alleviate it?

THE PRESIDENT. The problem of inflation is, as you say, one that plagues us but plagues the rest of the world even more. The British now have escalated enormously because of the coal strike settlement. The Japanese are in a very high inflationary period, much higher than ours. The Germans have had such a high one that they now have begun moving on an anti-inflationary policy.

We can take very little comfort, I think, in the fact that inflation is lower here than in most industrial countries of the world. That doesn't help, for example, the housewife or the man when sometimes he goes to the supermarket, too, when he goes there and finds the prices going up and up and up.

These are the things that I would sug-

gest, however, in terms of dealing with that problem: Approximately 60 percent of the rise in prices which occurred over the past 6 months was either energy-related or related to food. Now, the inflationary tide has still not subsided. It will probably continue through the balance of the second quarter. In the latter part of the year, we believe it will go down. It will go down provided we are responsible in our Government spending programs and that the Congress does not go on a wild spending spree.

It will go down, second, because the energy crisis, having been reduced to a problem, will have less pressure upward in that particular area. And it will go down, too, because the prospects insofar as food production appear to be very good at the present time, although this is one that is extremely difficult to project.

I would like to tell you that the number will be 4 percent, 5 percent, 3 percent, 8 percent by the end of the year. I do not know. My economic advisers don't even know, and they used to know everything.

All that I can say is this: We are in this fight with regard to inflation to win it, and we believe that with proper fiscal policies and with increasing production in the energy field, increasing production in the food front, that that is the way to bring down the prices and to take the pressure off of the prices.

PRESIDENTIAL TESTIMONY

[12.] Q. Mr. President, intense two-way loyalty has been a hallmark of your public life and your Administration. If it can be shown to you conclusively that your in-person testimony on behalf of your former colleagues is vital to their defense,

would you not consider stepping forward and taking the witness stand?

THE PRESIDENT. I believe that for the President of the United States to appear in a court of law, any court of law, for the purpose of testifying, would be setting a precedent that would be most unfortunate. I believe that any information that I have has been made available, which could affect the guilt or innocence of the individuals involved, and I think the appearance of the President of the United States in any one of these cases would be a precedent which we would regret later.

TAX INVESTIGATIONS

[13.] Q. Mr. President, through the courtesy of the media, we have been made aware of your income, your tax deductions, and your tax liabilities. As an ordinary citizen, how can we go about getting the same pertinent, candid information from the Members of the House of Representatives, the Members of the Senate, particularly our two streaking Senators? *[Laughter]*

THE PRESIDENT. I have enough trouble with the Senate and the House without asking them to submit to the same kind of investigation that I have been submitting to. *[Laughter]*

But second, sir, with regard to your questions on income tax, let me be quite direct. Questions were raised with regard to whether or not I had paid or reported the amount of taxes that I should have. I voluntarily asked the Joint Committee on Taxation of the House and Senate to consider this matter.

It has been considering it, and as Chairman Long and the ranking minority member of the Senate Finance Committee have

indicated, there has been no evidence of fraud on the part of the President.

There may be evidence that he may owe more taxes due to primarily, apparently—it is a debatable technical point as to whether a gift of three-quarters of a million dollars worth of [Vice] Presidential papers which was delivered 3 months before the deadline, whether the paperwork on it was completed in time to qualify for the deduction.

If it was completed in time, as I understand it, I get the deduction. If it was not completed in time, I don't get the deduction, I pay the tax, and the Government gets to keep the papers.

Well, under the circumstances, that is hard for me to realize, but the President, when the IRS is concerned, I can assure you, is just another citizen, and even more so. *[Laughter]* And that is perfectly proper.

COMMUNIST INFLUENCE IN THE UNITED NATIONS

[14.] Yes, sir.

Q. Mr. President, we are hearing increasing and persistent objections to the Communist influence on the United Nations and certain of its agencies. My question relates to UNICEF. What are we doing to keep our contributions to UNICEF from Communist control, and by whose authority do branches of the U.S. Post Office assist in the sale and distribution of cards for UNICEF?

THE PRESIDENT. Well, sir, that is a matter I will have to look into. It is enough to have the problems of the United States to solve without looking into the United Nations, I can assure you. But speaking quite directly, it is quite true that the Soviet Union, being a major nation, has

great influence in the U.N., and it is quite true that it has great influence within certain bodies within the U.N.

And I think the only recourse for the United States, rather than getting out of the U.N. and leaving the whole game to them, is to stay in and attempt to see to it that our influence counterbalances theirs whenever we think theirs is wrong. That would be my response at this point.

U.S. POSITIONS AND THE WORLD SITUATION

[15.] Q. Mr. President, regarding your comment that we must continue to move forward on the world front, the Wall Street Journal and the Chicago Sun-Times today both carry articles about mounting evidence that our foreign policy position with the Soviets, the Arabs, and our former European partners is now deteriorating. They say that the temporary suspension of the oil embargo is likely to be an on-again off-again Soviet-Arab policy and that our declining influence abroad will lead to many problems at home and abroad, including continued rising prices for gasoline and many other basic necessities of life here at home. Would you please give us your comments?

THE PRESIDENT. Well, it is rather hard to respond to both of those publications in the small time that I have, but let me say, first: Early this year, predictions were made that there would be a worldwide recession, you recall, and that was one of the reasons that people projected an 8 to 10 percent unemployment in the United States at this time, which has not occurred.

There will be apparently no worldwide recession, and second, there will be no recession in the United States. The diffi-

culties are going to continue for a time, but in the second half of this year we expect to see the economy moving up, unemployment moving down, and inflation abating. As far as the entire situation worldwide is concerned, however, your question allows me to make a statement with regard not only to the Soviet Union but also with regard to Europe, which should be more on the front burner than it is because of the enormous importance of the European-American alliance to stability in the world.

I have already responded with regard to the Soviet Union and the People's Republic of China. We have difficulties, we have differences, but it is far better to be talking about them rather than fighting about them, and we will continue that policy.

Second, with regard to the Mideast, the Mideast has had four wars in a generation. That is just four too many in an area that is very poor and one that needs peace and needs it desperately. And at the present time, the influence of the United States in the Mideast, the fact that we have restored relations with Egypt, that we are moving in all of the area of the Mideast toward creating a permanent peace, is going to be one of the major legacies of this Administration, I would hope.

Third, with regard to Europe, the problem there is complicated by the fact that our European friends and we had agreed somewhat earlier that we would try, on the 25th anniversary of NATO, which occurs in April, that we would try to reach common declarations on the security front with regard to the Atlantic Alliance and also on the economic and political front where the United States has to deal with what is called "The Nine," or the European Common Market countries.

Now, the progress in developing declarations on the security front has gone forward on schedule. However, I regret to report, as I have written to Chancellor Brandt, the present Chairman of "The Nine," I regret to report that on the economic and political front the progress has not gone forward, and we face the situation that, therefore, if the heads of government were to meet at this time, for example in the month of April, we would simply be papering over difficulties and not resolving them.

But to just conclude the question with an observation for our European friends and for us, let me say, first: The European-American alliance is important to the peace of the world as well as to ourselves. The second point is, as far as security is concerned the United States is indispensable to the security of Europe, not only our presence in Europe but also the fact of our nuclear strength.

Now, the Europeans cannot have it both ways. They cannot have the United States participation and cooperation on the security front and then proceed to have confrontation and even hostility on the economic and political front. And until the Europeans are willing to sit down and cooperate on the economic and political front as well as on the security front, no meeting of heads of government should be scheduled.

I believe we will work out the cooperation, but I think it is very well for all nations in the world to understand that the day of the one-way street is gone. The United States has been very generous to its allies and friends and to its former enemies. We will continue to be as generous as we can. But whether it is in the field of trade or whether it is in any other field, it is essential that we get what, I would

say, a fair break for our producers, just as we try to give a fair break to their producers.

And we cannot have in Europe, for example, confrontation on the economic and political front and cooperation on the security front.

I do not mean to leave this question with the impression that the European and American alliance is shattered. It is not. I do indicate, however, that it is a time when the Europeans as well as we must sit down and determine that we are either going to go along together on both the security and the economic and political fronts or we will go separately.

Because I can say one thing: I have had great difficulty in getting the Congress to continue to support American forces in Europe at the level that we need to keep them there. In the event that the Congress gets the idea that we are going to be faced with economic confrontation and hostility from "The Nine," you will find it almost impossible to get Congressional support for continued American presence at present levels on the security front.

Now, we do not want this to happen. That is why I have urged my friends in Europe, our friends in Europe, to consider this proposition. It does not mean that we are not going to have competition, but it does mean that we are not going to be faced with a situation where the nine countries of Europe gang up against the United States—the United States which is their guarantee for their security. That we cannot have.

MR. CLARK. Thank you, Mr. President.

THE PRESIDENT. Ladies and gentlemen, I only asked the mayor to come up here because I just wanted to assure this au-

dience that despite the fact that I at times may have appeared to be a bit partisan, I didn't intend to be at all. *[Laughter]*

The only reason that I am going out is that they said you were waiting for me to leave. *[Laughter]* Let me say I have appreciated your response and your patience,

and while I leave the podium, I don't expect to leave the Presidency until January 20, 1977.

NOTE: The question-and-answer session began at 1:02 p.m. in the International Ballroom of the Conrad Hilton Hotel, Chicago, Ill. It was broadcast live on nationwide radio and television.

80 Remarks at Nashville, Tennessee, on Mrs. Nixon's Return From Venezuela and Brazil. *March 16, 1974*

MRS. NIXON. I can tell you that it is mighty nice to be back here in Tennessee, where we always have so many friends who come out to welcome us.

This is truly a wonderful homecoming and a wonderful birthday surprise to have so many friends here with your signs and all these Scouts who are out and all the beautiful roses from the Girl Scouts.

I appreciate everything, and I bring you messages today from leaders, from leaders all over the world, because our delegation was one of 88 who met in Venezuela and also in Brazil for the inaugural ceremonies. And I had a chance to visit with these leaders. They wanted me to convey the message that they support us in our quest for peace and that they have good will and good wishes for all the people of the United States.

THE PRESIDENT. *Governor and Mrs. Dunn, Senator Baker, Senator Brock, and the Members of Congress, all of the distinguished guests who are here:*

I want to express appreciation to all of you for coming out here today for two reasons. First and foremost, because as you know, this is my wife Pat's birthday, and I don't know any place in this country where she could get a finer, warmer welcome than right here in middle Tennessee.

Second, I wanted to express to the people here our appreciation for your coming out in such great numbers.

As you know, we are here for the opening of the Opry House, the new one, and I think you will be interested to know that last year in the White House, we had country music in the White House on Pat's birthday. So we decided to come to country music in order to celebrate the second time here today.

But the particular point I would like to make is with reference to the trip that Mrs. Nixon, my wife Pat, has just taken to Latin America, and the trips that she has taken with me all over the world, and what they mean to all of us, and particularly what they mean to the young people who are here, your children, and your future.

You think, for example, of going to Latin America, to Venezuela and Brazil, and how far it is, and you wonder what all this means to your future. And I am sure you must have thought the same thing at the time that you saw on television our visit to the People's Republic of China, where one-fourth of all the people in the world live, and what it means to you.

And you must have thought that, too, when we went to the Soviet Union, where you have the most powerful nation in the

world in terms of anyone who might be a potential adversary of the United States, and what that visit and the other developments that we have discussed mean to you.

I will tell you this very simply: What it means is that we believe very strongly that our generation, this generation that now has the responsibility for government, owes something to you and future generations.

We have had four wars in this century, and young Americans have fought and died very bravely for their country. We have never gained anything out of those wars except the chance for other countries to be free and to build a peace.

And now what we want is not just peace in our time but peace in your time—and I am speaking particularly to all the young people here—we want a generation of peace. And in order to do that, it is necessary to talk to people who even might be your opponents and might think very differently from you, rather than to have the option of fighting them.

It also is necessary—and this is the important thing to remember—that the United States never forget that the strength of America, its military strength, its economic strength, the character of America, is essential if we are going to be able to maintain the peace of the world.

And when I come here to the heartland of America, just let me say two things. From a military standpoint, I know that

in this great State of Tennessee, as indicated by the votes of your Senators and your Congressmen, the people of Tennessee support strongly my position that the United States must never become the second strongest nation in the world.

And I know, too, that here in the State of Tennessee, there is that strong character, that patriotism which will see to it that America is not only strong militarily but that we will be the world's leader, which it is our destiny to be, because without our leadership there cannot be peace.

And that brings me back to Mrs. Nixon. Sometimes we think of the strength of missiles and other weapons that we have. But just as important is the sympathy, the understanding which can only come from people-to-people contact. She brings from the people of South America to the people of the United States their affection, and she brought to them, better than anyone else could, the feeling that every American has for everybody in the world.

Let us clearly understand, we want to be the enemies of no people in the world. We want to be friends with all people in the world, but we will maintain our strength so that America can play the great role of peacemaker in the years ahead and that this young generation will be the first in this century to enjoy a generation of peace, and with your help we will do it.

Thank you.

NOTE: The remarks began at 6:14 p.m. at Nashville Metropolitan Airport.

81 Remarks at the Grand Ole Opry House, Nashville, Tennessee. *March 16, 1974*

ROY ACUFF. I think it would be very appropriate if all of us would sing "Happy Birthday" to Mrs. Nixon, but I won't be imposing if, should I ask you, Mr. President, will you please play the piano for us?

THE PRESIDENT. Well, in this very professional company, I am a little embarrassed to try to do that thing there. I haven't even learned to play this thing. It is a Yo-Yo.¹

In the key of G.

[The President played "Happy Birthday" on the piano.]

Just so that you will know—as you know, my wife's name is Pat, and her father was Irish, and he called her "St. Patrick's babe in the morning," so she always celebrates her birthday on St. Patrick's Day.

So, I can't play this song at all, but these fellows know it in the key of G, also. That is the only key I know, incidentally.

So, if you will join us in this song, I think you will recognize it when I start it. Just let me get a chord.

[The President played "My Wild Irish Rose."]

MR. ACUFF. He is a real trouper, as well as one of our finest Presidents. You are a great man. We love you.

Along with every dedication there are certain businesses to tend to, so we are going to tend to the business right now, as a country boy would put it. So, I am going to invite the President and Mrs.

¹ At this point, the President took a Yo-Yo from his pocket and handed it to Mr. Acuff, a country music entertainer who was known for doing tricks with a Yo-Yo during his performances.

Nixon and Mrs. Dorothy Ritter² and Mr. Bill Weaver, who is chairman of the board of the National Life and Accident Insurance Company, if they will join me over here at the scroll and let's unveil the scroll.

Mr. President and Mrs. Nixon, Dorothy, and Mr. Weaver, will you please join me over at the scroll.

[At this point, a scroll dedicating the new Grand Ole Opry House was unveiled.]

THE PRESIDENT. It must be time for the commercial. [Laughter]

MR. ACUFF. Ladies and gentlemen, about a year ago I was invited to the White House, along with many others, to entertain the prisoners of war. And after I had sung my song, Mr. Bob Hope, who was the master of ceremonies, asked me back to the stage, and I remarked that it was the highlight of my career.

But you know, I never dreamed that a night like this would ever come to Roy Acuff.

So, I would like to say to the world that is listening in, from our new home here in Opryland USA, ladies and gentlemen, the President of the United States, Richard Nixon.

THE PRESIDENT. Thank you very much, Roy Acuff and to all of our distinguished guests, the Governors, the Senators, the Congressmen—and everybody, of course, in this audience is distinguished on this first-nighter for the opening of the Grand Ole Opry in its new home.

I find it very difficult to find the adequate words to say what this particular

² Widow of country and western entertainer Tex Ritter.

evening means to me personally and, of course, to my wife Pat. But one thing that Governor Dunn was telling me was that people come, he said, from hundreds of miles—he says, as a matter of fact, they come from all over America—just to be here at the Grand Ole Opry performances.

I think tonight a record has been established, because my wife left Brasilia 9 hours ago. She flew 5,000 miles to get here. And Howard Baker tells me that they have a Grand Ole Opry House now in London, right out at the airport, called “Nashville,” so it has reached there. We will be exporting it to other places, I am sure. I mean, somebody was telling me that there is only one thing stronger than country moonshine and that is country music.

I saw a couple of fellows outside that were combining the two, and believe me, it was plenty strong.

Speaking in a very serious vein, though, I want all of our friends here in this opening night, and those listening on radio and television, to know what country music has meant to America and, I think, also to the world.

First, country music is American. It started here, it is ours. It isn’t something that we learned from some other nation, it isn’t something that we inherited, because we Americans, of course, come from all over the world, in a sense. And so, it is as native as anything American we could find.

Country music also has a magnificent appeal all across the country. It is not regional. Before we had country music at the White House—and you know we brought it there on many occasions—we had some very sophisticated audiences there listening to the great stars, opera

stars and all that sort of thing, and then Johnny Cash came and he was a big hit at the White House, and Merle Haggard came and he was a big hit at the White House—[*applause*]*—go ahead, go ahead, he is probably listening—and Glenn Campbell, Roy Acuff.*

Let me tell you something about that POW night. We had some fine Hollywood stars, you know, singing some of the more modern music that is—well, it is a little hard to understand. I mean, well, I was going to say a moment ago, you have a tendency to pay a little more attention to what the girls are not wearing than hearing the music, but you did a little of that tonight here, too, I can see. But she could sing, she could sing.

But I wanted to tell you something, that I was sitting at that historic evening when these magnificent men who had served the United States in Vietnam and who had been prisoners of war were being entertained at the White House—the largest dinner ever held at the White House—and I was sitting at a table with six of them and their wives.

All six of them had been in prison for 6 years or more, and all of these stars went on, the modern stars and the older stars and the rest, and the new types of music and the rest. The one that got the biggest applause was Roy Acuff.

And I asked one of them, I said, “You know, that is rather curious that you would find that music the one you liked the best.” And they said, “Well, you have got to understand, we understood it.” They knew it. In other words, it went back a few years, but they understood it, and it touched them and touched them deeply after that long time away from America.

What country music is, is that first

it comes from the heart of America, because this is the heart of America, out here in Middle America. Second, it relates to those experiences that mean so much to America. It talks about family, it talks about religion, the faith in God that is so important to our country and particularly to our family life. And as we all know, country music radiates a love of this Nation, patriotism.

Country music, therefore, has those combinations which are so essential to America's character at a time that America needs character, because today—one serious note—let me tell you, the peace of the world for generations, maybe centuries to come, will depend not just on America's military might, which is the greatest in the world, or our wealth, which is the greatest in the world, but it is going to depend on our character, our belief in ourselves, our love of our country, our willingness to not only wear the flag but to stand up for the flag. And country music does that.

And so, I express appreciation to this great audience, to all the performers whose time I have taken—my apologies to those who would have had the commercial. However, I wanted to take this opportunity on behalf of all the American people to thank country music, those who have created it, those who make it, those who now will have it continue in the future, for what it does to make America a better country, because your music does make America better. It is good for Americans to hear it. We come away better from having heard it.

Thank you very much.

MR. ACUFF [handing the President a Yo-Yo]. Now let it come over this way. Hold your hand like this. [Laughter] We

are not in any hurry. He don't need to get back up there quick anyway. [Laughter] We need him down here for a while.

Now, turn your hand over and let it ride. Now jerk it back.

THE PRESIDENT. I will stay here and try to learn how to use the Yo-Yo; you go up and be President, Roy.

MR. ACUFF. That is just what it takes to be a great President, is to come among people and be among we working people, we common people, and then be one of us. That is what it takes to be a real President.

This is the one he gave me. He didn't know it worked that way. Would everybody join me, and come on, Jerry Waters, sit down at the piano there. I want all the gang together, and let's everybody sing, and from our very real hearts, let's sing "Stay A Little Longer" to the President, will you.

[The audience sang "Stay A Little Longer."]

That a boy, thank you. Thank you very much. It is such a wonderful program. We will never see nothing like this in our State again, never have before.

Mr. President, do you belong to the union, the musicians union? You will get some talk on this if you don't. Come on up here. I want you to take the piano.

THE PRESIDENT. I am an honorary member of the musicians union in New York City.

MR. ACUFF. That is great. There will be no argument.

THE PRESIDENT. No, but I don't pay dues.

MR. ACUFF. He says he is an honorary member of the union in New York City.

THE PRESIDENT. Roy, because of the remarks that I made, it occurred to me

that what would be most appropriate at this time on this opening evening—and you still can play in the key of G?

MR. ACUFF. Yes.

THE PRESIDENT. Okay, fine. You will know this song when I start playing it—I think they will know it when I start playing it. [*Laughter*] But anyway, you remember on that prisoners-of-war affair, that dinner, that one of the highlights was when Irving Berlin, who had been very ill, came down and brought the original score of the great song that he

wrote that everybody sings since then——

MR. ACUFF. Yes, I remember.

THE PRESIDENT. ——“God Bless America.”

MR. ACUFF. Yes, I remember.

THE PRESIDENT. I thought possibly we would try that one.

MR. ACUFF. Oh, do, that would be great. “God Bless America.”

[The President played “God Bless America” on the piano.]

NOTE: The exchange of remarks began at 7:40 p.m.

82 Message to the Congress Transmitting Annual Report of the National Science Foundation. *March 18, 1974*

To the Congress of the United States:

I am pleased to submit to the Congress the Twenty-Third Annual Report of the National Science Foundation.

The Nation today is faced with scientific and technological challenges and opportunities of unprecedented importance. As this report shows, the National Science Foundation is funding projects across a broad spectrum of scientific inquiry, from basic research to highly focused and sophisticated engineering techniques. Concurrently, National Science Foundation programs are encouraging the more rapid transfer of technological knowledge from

the laboratories to the marketplace and are increasing the scientific and technical manpower base which the United States must have in the future.

I believe the annual report of the National Science Foundation merits the close attention of the Congress. It is a record of a very productive year.

RICHARD NIXON

The White House,

March 18, 1974.

NOTE: The report is entitled “National Science Foundation Twenty-Third Annual Report for Fiscal Year 1973” (Government Printing Office, 122 pp.).

83 Question-and-Answer Session at the Annual Convention of the National Association of Broadcasters, Houston, Texas. *March 19, 1974*

Mr. President,¹ and members and guests of the National Association of Broadcasters:

¹ Vincent T. Wasilewski was president of the National Association of Broadcasters.

[1.] Before going to your questions, ladies and gentlemen, I have an announcement with regard to decisions I have made as a result of the lifting of the oil embargo.

First, it will not be necessary for us to have compulsory rationing in the United States.

Second, effective this Sunday, I have rescinded the order which closes all service stations on Sunday.

Third, Director Simon is increasing allocations to industry and agriculture so that they can have the necessary energy to operate at full capacity.

And fourth, with regard to those gasoline lines which have troubled us in several places in the country, we will now be able to allocate additional gasoline with the purpose of diminishing the lines and, we hope, eventually eliminating them.

Now, it is necessary for us to keep this development, however, in perspective. We must recognize that as far as price is concerned, the pressure on prices will continue, because the oil we import from abroad—from, for example, the Arab oil-producing countries—costs approximately twice as much as the oil we produce in the United States.

Also, with regard to the shortage, it is not yet over. We still have an anticipated shortage of perhaps 5 to 8 percent in the United States. Therefore, it will be necessary to continue our voluntary program of carpooling and also of slower driving.

Third, with regard to the energy shortage generally, I should point to the necessity for action in one area. When we speak of an energy shortage, the greatest shortage of energy is the lack of energy on the part of the Congress of the United States in getting to work and passing the legislation that will produce more energy in the United States of America.

Now, as all you ladies and gentlemen of the press know and, I am sure, in this audience know, there are now 17 bills be-

fore the Congress which have not been acted upon which would deal with the problem of increasing the supply of energy.

Among those that come to mind that would have an immediate effect if they were enacted would be, first, the deregulation of natural gas, so that we can have additional supplies of natural gas, which we have in great abundance and which is the cleanest fuel that we could possibly have.

Second, it is necessary to develop not only in terms of production but also exploration, the sources of energy that the Federal Government has in various installations across the country, particularly in Elk Hills.

And third, it is essential in terms of energy that the Congress act on the legislation that I have requested which would relax environmental restrictions which at the present time do not allow the mining of coal and the use of coal, and coal is, of course, as you know, our major source of energy. We have 63 percent of all the coal in the free world, and it should be used at this time when we do have an energy shortage.

So much for the short-term activities. In addition to that, the Congress has before it a number of bills which would affect the long-term problem, for example, authority to build deepwater ports, for example, authorities that would speed up the construction of nuclear plants, which in the long term is going to be one of the major sources of energy in the United States.

As I have said, and as you have heard me say on many occasions, the purpose of the United States is to develop our energy resources which we have in abundance so that by the year 1980 the United States

will be completely independent of any foreign source for our energy. We can accomplish that goal.

But we can accomplish that goal only if the Congress quits dragging its feet on the proposals that they now have before them and have had before them for several months. And I trust, with the cooperation of the Congress and the support of the American people, we will be able to have action, and action soon, on these measures that have been submitted.

QUESTIONS

SENATOR BUCKLEY AND THE QUESTION OF RESIGNATION

[2.] That is the only announcement that I have, and I understand Mr. Johnson is entitled to the first question.

Q. Mr. President, Bos Johnson, WSAZ Television, Huntington, West Virginia. You have said repeatedly that you will not resign, and yet today, Senator James Buckley today called for you to perform an extraordinary act of statesmanship and courage, voluntary resignation as, as he put it, the only way by which the Watergate crisis can be resolved.

Would you comment on the import of this statement coming from a conservative United States Senator, and whether it might cause you to reassess your position?

THE PRESIDENT. Well first, it does not cause me to reassess my position, although I, of course, do respect the point of view expressed by the Senator and by others, perhaps some sitting here, who share that view.

The point that I wish to make, however, is that when we speak of courage, if I could address that from a personal standpoint first of all, it perhaps would be an

act of courage to resign. I should also point out, however, that while it might be an act of courage to run away from a job that you were elected to do, it also takes courage to stand and fight for what you believe is right, and that is what I intend to do.

Mr. Johnson, I would not want to leave your question simply with a personal judgment. I am thinking of the statesmanship which Senator Buckley also addressed. From the standpoint of statesmanship, for a President of the United States, any President, to resign because of charges made against him which he knew were false and because he had fallen in the polls, I think, would not be statesmanship. It might be good politics, but it would be bad statesmanship. And it would mean that our system of government would be changed for all Presidents and all generations in the future.

What I mean by that, very simply, is this: The Constitution provides a method by which a President can be removed from office: impeachment—impeachment for treason and other high crimes and misdemeanors. Now, if a President is not guilty of those crimes, if only charges have been made which he knows are false, and if, simply because as a result of those false charges and as a result of his falling in the polls, he decides to resign, it would mean then that every future President would be presiding over a very unstable Government in the United States of America.

The United States and the free world, the whole world, needs a strong American President, not an American President who, every time the polls go down, says, "Well, maybe I'd better resign."

Let me give you an example: I have often said to members of the Washington press corps that the most difficult deci-

sion I made in my first term was the very last, in December of 1972. You recall then that I found it necessary, because of the breakdown in negotiations in Paris with the North Vietnamese, to order the bombing of military targets in North Vietnam in the Hanoi and Haiphong region by B-52's.

The bombing began, we lost planes, and at that time I can assure you that not only my friends but many others who had supported the actions that I had taken to attempt to bring the war in Vietnam to an honorable conclusion, criticized and criticized very strongly what I had done.

Great newspapers like the Chicago Tribune, the Washington Star, that had previously editorially supported me, for example, were among them, and many Senators as well as other public figures spoke out. As a matter of fact, one Senator said, "The President has taken leave of his senses." Now, I had no hard feelings about that. I made him Attorney General. [Laughter]

The day after Christmas, some of my closest advisers felt that because a poll that they had taken privately indicated that I had dropped 20 points in the polls since the bombing began, that I should consider stopping it. I considered their advice. I did not take it.

I ordered the bombing to continue. I ordered it, as a matter of fact, to be increased on military targets. Five days later, the deadlock was broken, and as a result of that action, an unpopular action but an action which I felt was right, the longest war in America's history was brought to a conclusion, and our prisoners of war were brought home, as I have often said, on their feet rather than on their knees.

Now, I want future Presidents to be able

to make hard decisions, even though they think they may be unpopular, even though they think they may bring them down in the polls, even though they may think they may bring upon them criticism from the Congress which could result in demands that he resign or be impeached.

I want future Presidents to be able to take the strong, right decisions that he believes are right. That is what I did then, and that is what I intend to do in the future.

I think, after that answer, it is only right for me to turn to the left.

SHORTAGES AND PRICES

[3.] Q. Mr. President, Tony DeHaro, KRIS-TV, Corpus Christi, Texas. While the Vietnam war was on, we as a nation had to supply a military force, a couple of nations plus our own with food, fuel, and just basic commodities—well, in short, all of the things that we now find expensive and scarce. Why is it with the drain now over, and even before the oil embargo began, we, instead of having surpluses, find ourselves with high-price shortages? And what can be done to bring things back a little closer to normal?

THE PRESIDENT. The reason why we have the shortages, not only in terms of food, which, of course, as you know, came before the energy crisis and resulted in an upsurge in food prices, but also in energy, is that it is not just a U.S. crisis, but a world crisis.

In a sense, that is good, because all over the world people are eating a little better, people are using more energy, and the result is that we need to produce more energy and produce more food in order to deal with these shortages.

Here in the United States, we are mov-

ing on the energy crisis as it was—it has now, I think, been reduced to a problem—and we are also trying to move in the food area. And the way to move is to see to it that we increase production.

Let me also suggest that I know many wonder, why not just control the prices? Well, the way to get prices down is not to control prices at a level where the farmer quits producing and the producer of energy will not sell. The way to get prices down is to produce more. That is why I am against controls in these areas. We must produce more, and we will get the prices down, and I think we shall.

U.S. POLICY IN THE MIDEAST

[4.] Q. Mr. President, Jay Solomon, WCOL News, Columbus, Ohio. Our Middle East policy has seemed to point three ways: support for Israel, keeping access to Arab oil, and containing the Soviet influence. It seems to be touchy at best. But now with the Arab oil embargo lifted and with Egypt seeming to lead the way in that regard, what does that do to U.S.-Middle East policy, especially should push come to shove as regarding Israel?

THE PRESIDENT. I realize that many of those who support Israel and its independence, as I have since that state came into existence, wonder about the policy of the United States, which is now one designed not only to be a friend of Israel but to be a friend of Israel's neighbors. And I would only suggest that in terms of the future of Israel, it is much better to have the United States a friend of Israel's neighbors and thereby able to influence and perhaps restrain their policies rather than an enemy or with no communication.

And so, therefore, our policy is designed to accomplish these things:

One, we will continue to support the independence and the integrity of the State of Israel.

Two, we will continue to try to seek not only renewed relations with Egypt but with other countries with which those relations have been broken, as you know, in the past, growing out of the June 1967 war.

But let me make one thing very clear: Being a friend of one of Israel's neighbors does not make us an enemy of Israel. In the long-term interests of Israel and in the long-term interests of all of the countries in the Mideast, it is vital that the United States play a constructive and positive role.

For example, the progress on the Syrian disengagement, which will be even more difficult than the disengagement on the Israeli-Egyptian front, is a news item which I think came over the ticker just a few moments ago. This is a positive move.

We have a long way to go. But in the long term, we have to realize that a U.S. role in the Mideast must be one that works with all the countries in the area that are willing to work with us.

The other point that I should make that I know perhaps is not included in your question, but is implicit in many questions that are asked in this field: Why is it that we follow this attitude in the Mideast and at a time when the Soviet Union seems to be following, some claim or allege, an obstructionist attitude in the Mideast?

Let me say, there cannot be permanent peace in the Mideast unless the United States is for it and plays a role to get it. But also, there cannot be permanent peace

in the Mideast if the Soviet Union is against it. As far as the Soviet Union and the United States are concerned, our interests are not always the same in the Mideast, but in my meetings with Mr. Brezhnev 2 years ago, also this year (last year) and, I trust, also later in the year, the problem of peace in the Mideast will be high on the agenda.

We will not always agree. But it is to the interest not only of the countries in the Mideast but of the Soviet Union and the United States, to work out a permanent settlement, because it is one of those flashpoints in the world far more important to the interest of the U.S. and the Soviet Union than a place like Vietnam. And we cannot again, if we can avoid it, run the risk of a confrontation between the two super powers in that area of the world.

So, I believe our policy of working toward permanent peace with Israel, with her neighbors, and working with the Soviet Union, where the Soviet Union is willing to work with us, is in the best interests of everybody concerned.

OIL EMBARGO

[5.] Q. Mr. President.

THE PRESIDENT. Mr. [Tom] Jarriel of ABC.

MR. JARRIEL. Thank you. I would like to follow up that question, Mr. President. In your Chicago meeting with reporters on the Middle East, you said that if the oil embargo lifting had indications that it might be conditional and they might reimpose it, the United States would not be pressured, and any implications of pressure would have a countereffect on the peace negotiations. My question goes to the fact that according to the news re-

ports, the embargo is lifted on a conditional basis of a review in June.

Because of this, will you recommend that Dr. Kissinger break off his efforts in the negotiations between Syria and Israel until there is a firm and final lifting of the embargo?

THE PRESIDENT. No, I will not. And I will not for this reason: that what the decision was, as I understand, Mr. Jarriel, was that the Arab countries would meet again in June to review the situation. It was not a decision with a condition.

Now, as far as our policy in the Mideast is concerned, we seek a permanent peace as an end in itself. Whatever happens to the oil embargo, peace in the Mideast would be in our interest and in the interest of the whole world.

As far as the oil embargo is concerned, it is in the interest of those countries that imposed it, as well as the United States, that it be lifted. The two should go parallel. Inevitably, what happens in one area affects the other. And I am confident that the progress we are going to continue to make on the peace front in the Mideast will be very helpful in seeing to it that an oil embargo is not reimposed.

THE PRESIDENT'S ACCESSIBILITY

[6.] Q. Mr. President, I am Paul McGonigle, from KOY Radio in Phoenix. You have become so accessible of late, not only with Washington news conferences but with appearances such as these, a group of us were talking a while ago that it is difficult to think of something new to ask on a subject that hasn't been beaten to death, like Watergate, for example, and—[laughter]—

THE PRESIDENT. Oh, ask that, I am used to it. [Laughter]

MR. MCGONIGLE. What I would like to ask you, sir, is why this accessibility has not marked your Administration throughout the entire tenure of your years in the White House?

THE PRESIDENT. Well, with forums like this I think I should be more accessible, I agree.

No, seriously, the press conference is a very useful medium through which a President can convey his views to the American people. There are times, however, when a press conference, a President determines, would not be useful, because of very sensitive negotiations that are going on where even a "no comment" could be very unhelpful.

I would suggest that in the future, as I see the future, it is likely that I will continue to have a considerable number of meetings with the press, and I would welcome the opportunity to take the questions that people from Phoenix and the Washington press corps ask. I will try to answer them as responsibly as possible.

INFORMATION FOR HOUSE JUDICIARY
COMMITTEE INVESTIGATION

[7.] Q. Mr. President, Chris Clark, WLAC-TV, Nashville, Tennessee. Mr. President, it appears likely that the House Judiciary Committee might subpoena the tapes and records which you have refused to give to them. My question is this: Will you honor such a subpoena and turn over such records if that becomes the case?

THE PRESIDENT. Well, I think in response to that question, I should put it in perspective by pointing out what we have already provided to the committee, and what our general policy is, and what the status appears to be at the present time with regard to possible future furnishing

of information. I have already directed that all of the information that we turned over to the Special Prosecutor, which includes 19 tapes and over 700 documents, be turned over to the House Judiciary Committee. In addition, I have directed that seven Government agencies turn over several boxloads of documents that they requested be turned over so that they could conduct their investigation.

In addition to that, as you know, Judge Sirica yesterday directed that the records of the grand jury, any records that might be pertinent to this investigation, be turned over to them. That was done not only without our opposition but with our acquiescence, because we want them to have all the facts that they need to conduct a thorough inquiry. Before, however, they had examined any of this material, they demanded 42 more tapes, several hundred documents, and access to every document and/or tape, in effect, which is in the White House.

Now, on that point we are still discussing the matter with Mr. Doar, the counsel for the committee, and of course, he is discussing it with the committee members. The reason that we do not say "Come in and bring your U-Haul trailer and haul it all out" very simply is this: It is not because of a lack of desire to cooperate. It is, first, because we believe that the committee has enough information to conduct its investigation and to see whether any charges it may have against the President are true or false.

Second, insofar as additional documents are concerned, in other words, virtually a hunting license or a fishing license—whatever you want to call it—within the White House is concerned, I am following the precedent that every President, Democrat and Republican,

since the time of Washington has followed, and that is of defending the confidentiality of Presidential conversations and communications.

Now, I realize that many think, and I understand that, that this is simply a way of hiding information that they should be entitled to, but that isn't the real reason. The reason goes far deeper than that.

In order to make the decisions that a President must make, he must have free, uninhibited conversation with his advisers and with others. And if the time comes when those who come to advise the President assume that anything they say, even though it is very unpopular at the moment, is going to be turned over later and made public, all he is going to find is a bunch of yes-men around him or ones that are going to play it so safe that he isn't going to get the variety of views he needs to make the right kind of decision.

So, as far as the House committee is concerned, we will cooperate. I have agreed, also, as you know, to answer any questions that are submitted in writing. I have agreed to meet with the chairman of the committee and the ranking member of the committee to answer orally any other questions that they have, and Mr. St. Clair, White House Counsel, is discussing with Mr. Doar what other methods might be found whereby we can cooperate.²

² On April 9, 1974, the White House issued the text of a letter from James D. St. Clair, Special Counsel to the President, to John M. Doar, special counsel to the House Judiciary Committee, on the progress of discussions to date. The letter is printed in the *Weekly Compilation of Presidential Documents* (vol. 10, p. 397).

But of one thing I am sure: To provide this huge amount of documents and all of the tapes would only have the effect of prolonging an investigation that has already gone on too long because, believe me, dragging out Watergate drags down America, and I want to bring it to a conclusion as quickly as we can.

RELATIONS WITH THE PRESS

[8.] Q. Mr. President, Carl Conner-ton, KWBA Radio at Baytown. In the early portion of 1960, you made a statement at what you called your last press conference, stating that the press wouldn't have Nixon to kick around anymore. Here it is mid-1970. Do you feel that the press is kicking Nixon around again?

THE PRESIDENT. Before this audience, I answer that? [*Laughter*] No, I realize that perhaps—incidentally, the year was 1962—after I lost for President I probably didn't feel I should have any difficulties with the press, I had had enough already. So, after 1962, with no political future, I said that I didn't intend to be participating in politics—and thoroughly expected that that would be the case—and that, therefore, the press would enjoy kicking somebody else around rather than me.

But to come to the heart of your question, there is always—as my friend, now retired, of the Washington Star, Jack [Garnett D.] Horner, senior White House correspondent for many years, said—there is always an adversary relationship between the President and the press. That is healthy, that is good.

I think the press has a right to criticize the President, and I think the President has the right of self-defense. I would sug-

gest, also, that we should follow this rule: The President should treat the press just as fairly as the press treats him.

PAYMENTS TO WATERGATE DEFENDANTS

[9.] Q. Henry Keys, United Press International, Washington, Mr. President. I wonder if you would explain the difference between a statement you made last August regarding payments to the Watergate defendants and what you said at your press conference this month.

You will recall that in August, you said you were told that the funds had been raised for attorneys' fees and this month that Mr. Dean had told you the money was to be used for keeping the defendants quiet, not simply for their defense. Could you explain the difference between those statements?

THE PRESIDENT. Well, as I stated in Chicago, my statement on March 6 was incorrect insofar as it said that I learned that payments had been made prior to the time that the demand for blackmail by Mr. Hunt—alleged demand for blackmail, I should say, since it has not yet been tried—that payments had been made for the purpose of keeping defendants still.

I should have said they were alleged to have been made, because as a matter of fact, those who were alleged to have made payments to defendants for their defense fees and for their support—Mr. Ehrlichman, Mr. Haldeman, Mr. Mitchell—all have denied that that was the case. They have said it was only for the support of the defendants and only for their attorneys' fees, which would be completely proper.

Under the circumstances, therefore, it would not be appropriate for me to say

anything further on this point, because these men have a right, now, in a court of law to establish their innocence or to have established the guilt, if they are guilty, of whether or not the payments were made for one purpose or the other.

FOOD PRICES AND PRODUCTION

[10.] Q. Curtis Beckmann, news director, WCCO Radio, Minneapolis. This is a followup to your comment about increasing production and decontrolling prices. Some cattlemen's groups now are predicting another round of beef shortages this fall because of current low prices at the farm level for the cattle—the prices are way down. And with the experiences of controls on food that we have had, especially beef, what steps would you anticipate in handling another beef shortage which they are expecting in the fall?

THE PRESIDENT. I am sorry that I have to tell the audience here that there is an echo in this room. Did you say food or fuel?

MR. BECKMANN. Beef—food and beef.

THE PRESIDENT. Beef, that is sure food. Okay.

The situation with regard to pressure on prices I would summarize in this way: It is not over. For example, the inflationary effects of the energy problem will continue to push prices up until we get more production.

Insofar as food is concerned, the prospect is better. We expect a very big harvest of grain foods, particularly. But as far as beef prices, which is your point, the problem is still going to be a very difficult one because of the fact that those who—and I am not an expert on how beef is raised. Here in Texas you can find a

lot of them, I am sure, and also how to write it off. [*Laughter*] But nevertheless, the problem is that in the case of beef, that the beef production by the fall will not catch up to the point that it will have a downward pressure on prices.

However, looking at prices generally, I can say this, across the board: While we will continue to have a difficult time as far as the Consumer Price Index is concerned, through the balance of the second quarter and, possibly, into the third quarter, we believe that the upward pressure on prices will then begin to subside, and in the latter half of the third quarter and in the last quarter, that the food—not only the price level generally, but the food price level, even including beef—will be on a downward trend.

I do not mean by that, that we are going to see the prices come down in the way that we would like it, because prices are always too high if you can't make it with the family budget. But I do mean to say that our projections are that in the latter part of this year that the rise in the CPI, which has plagued us—primarily, 60 percent of the cause of the rise of the CPI, for example, in the last quarter, has been due to energy and food—that the rise in the CPI will begin to abate, and we hope to continue policies that will assist that.

THE ECONOMY

[11.] Q. Mr. President, David Day with the Texas State Network in Fort Worth. You and members of your Administration have said that you do not expect the country to go into a serious recession. Yet a newly released Harris poll indicates that a big majority of Americans believe that we are in a recession now. What do

you think is causing this illusion of economic recession in the minds of 68 percent of the people?

THE PRESIDENT. Because 80 percent of the people listen to television and radio. [*Laughter*]

No, seriously, I think Mr. Harris' poll would probably have been the same last year, in 1972, when we had one of the best years of our history. But let us look at the situation with regard to recession—what it is now, what will it be at the end of the year, and what it will be in the next year.

At the present time unemployment is at 5.2 percent. That is higher than we would like, but that is the lowest peacetime unemployment we have had in 11 years. In 1961, in 1962, in 1963, the only peacetime years of the sixties, unemployment averaged 5.7 percent. So, on the unemployment front, we certainly are better off than we were before.

Second, with regard to recession, the economy—we would have to be very candid in admitting—has in the past few months and will for the next few months, be in a difficult period due primarily to the energy crisis which we have been passing through and to other factors.

However, the projections are that as we enter the latter part of the year, unemployment will go down, the price level will abate, and by that time I think that the American people will become convinced, I trust they will, that they are not in a recession.

I can only say that in terms of recession, there is no greater goal, of course, of any President or of any administration than to adopt policies that will see that every American has a job who is able and willing to work and that he is able to balance

his family budget at prices he can afford to pay.

THE PRESIDENT'S PUBLIC APPEARANCES

[12.] Q. Mr. President, I am Al Voecks, WSM, Nashville, Tennessee. I would like to follow up the question which the gentleman from Phoenix, Arizona, asked, on the accessibility of the Presidency to the people.

You answered affirmatively regarding news conferences. Last Saturday night, there was a side of President Nixon revealed to the American public which hasn't been seen too often in the past few years. Do you plan to bring this side of President Nixon out and get to the people more often?

THE PRESIDENT. I left my Yo-Yo in Nashville. [*Laughter*]

WATERGATE

[13.] Q. Mr. President, I am Don Owen from KSLA-TV in Shreveport, Louisiana. You made the statement that to drag out Watergate is to drag down this country. Do you feel that this country would be better off tonight and in the immediate years ahead if the Watergate break-in had gone undetected and that the actions of that group of people had never been reported to the American people?

THE PRESIDENT. Certainly not. The action was wrong; the action was stupid. It should never have happened. It should not have been covered up, and I have done the very best that I can over the past year to see that it is uncovered.

I have cooperated completely with not only the grand jury but also with other investigative agencies and have waived executive privilege perhaps further than I

should in terms of the Office of the Presidency in order to cooperate.

When something happens like this, to say, cover it up, forget it, when it is wrong, this of course is completely against our American system of values, and I would very, very seriously deplore it.

I would also suggest, not by way of defense, but I was often criticized after the '60 campaign that I always ran my own campaigns. In the year 1972, I am afraid I was too busy—the trip to China, the decision on May 8 with regard to the bombing and mining in the Haiphong area, the trip to the Soviet Union, the negotiations in Vietnam which brought that war to a conclusion—that I frankly paid too little attention to the campaign.

Now, I don't intend to be in another campaign, needless to say. But I also want to say that if I had any advice for candidates in the future—run your own campaign, regardless of what the press says.

MIA'S IN SOUTHEAST ASIA

[14.] Q. Mr. President, Russ Thornton, WBAP in Fort Worth. Concerning those men still listed as missing in action in Southeast Asia, could you tell us what is being done to determine their fate, and do you think a complete accountability is possible?

THE PRESIDENT. Well, to those who are listening—and there are, perhaps 1,500 is the number, I think, presently MIA's who have not been accounted for—I can say that we have been working on this problem continually since the peace agreement was signed.

We have had some success, but not enough. We are continuing to discuss it with the North Vietnamese. I do not want to hold out false hopes, but I can say that

as long as I am in this office, I am going to do everything that I can that they are all accounted for, because I know the pain and suffering that those wives and mothers and fathers go through. I have met them often in the White House. My heart goes out to them, as I know the hearts of all Americans do, and you can be sure that your Administration and your President is going to do everything he can to see that we get an accounting.

TELEVISION REPORTING

[15.] Q. Ralph Renick, Station WTVJ in Miami, Florida. Mr. President, at your news conference last October 26, you were particularly critical of broadcast reporting. You mentioned the network TV reporting, calling it vicious, distorted, outrageous. The National News Council subsequently tried to obtain from the White House specifics on those charges, but those were not provided. Do you still feel tonight that you are being victimized by television reporting, network reporting, and could you be more specific?

THE PRESIDENT. Well, as far as network reporting and television reporting is concerned, I realize that bad news is news, and good news is not news. I realize, too, that people don't win Pulitzer Prizes by being for; they usually win them by being against. I don't mean to say that in criticism of those who award the prizes, because that is part of the job of a good investigative reporter.

But I don't think that—speaking to my long-time friend from Miami—I don't think any useful purpose would be served by me in talking to many of the Washington press, the regional press, and our friends from the NAB to discuss the President's problems with the press.

Let me just say this: I am not obsessed by how the press reports me. I am going to do my job, and I am not going to be diverted by any criticism from the press, fair or unfair, from doing what I think I was elected to do, and that is to bring peace abroad and, I trust, prosperity without war and without inflation at home.

RELATIONS WITH EUROPEAN ALLIES

[16.] Q. Mr. President, Norman Wagy, Storer Broadcasting in Washington. Since your rather forceful comments last Friday about our relations with our European allies, both the French Foreign Minister and the French Ambassador to the United States have responded apparently in a friendly manner. What is your reaction to their response and have you had reaction from any other European nations?

THE PRESIDENT. I was, of course, happy to see the response, very, I thought, proper response on the part of our French friends. As you know, when I came into office our relations with France were very poor. I met with General de Gaulle on two occasions, and I have since met with President Pompidou on two occasions. In addition to that, we have developed a much better relationship with the French than we had in the sixties, and I won't go into why that happened, but I think that much of the fault was ours rather than theirs at that time, although both must bear some of the blame.

But coming to the heart of your question, which is with regard to the whole reaction of Europe, let me restate the policy of the United States with regard to Europe.

This Administration is well-known for having started negotiations with those that

we weren't talking to for 20 years—the People's Republic of China. Why? Because they are the leaders of one-fourth of all of the people on this Earth, and it is far better to talk to them now than it is to wait until later when they would be a very, very great super power with, of course, the ability to use that strength even against us or our allies.

Second, we have started negotiations, some of them heavily criticized by members of the press and others, with the Soviet Union. Those negotiations have resulted in finally beginning to limit nuclear arms, avoiding a crisis or at least avoiding a confrontation in the Mideast developing into a crisis which could have been far worse, and also a number of other areas that we think are quite helpful.

Now, at a time that we have begun to seek better relations with those who are our adversaries, it was my thought that this year, 1974, should be a year in which we should shore up and develop a better relationship and a closer relationship and consultation with our friends.

That is what the "Year of Europe" was about. We have made considerable progress on it.

As far as agreement with regard to security—in other words, the NATO Alliance—the declarations that were being prepared for a possible meeting at the summit by heads of government have gone very well. Now, in the political and economic field, in the dealings between "The Nine"—the European Community—and the United States, those discussions have not gone well. They have not gone well due to the fact that "The Nine," at times, have not consulted with us, we think, fully or in time and, second,

in some areas have actually taken a position which is hostile to the United States.

Now, under the circumstances, therefore, the trip that we had thought I would take to Brussels, and other European leaders would take to Brussels, to sign a communique with regard to the new relationship not only with regard to security but also in the economic and political field, I felt should be postponed. I felt it should be postponed for this reason: You must never go to the summit unless you know what is on the other side. And when you go to the summit and summit leaders have broad differences and paper them over with diplomatic doubletalk, that does not serve the cause of good relations.

That is why some rather direct statement needed to be made from this side of the Atlantic with regard to our concern. And I would say that with regard to the nations of Europe, that we have had communications from other European leaders. I believe that we are going to work out the differences that we have in the economic and political field.

I do not mean by that, that we are not going to continue to be competitors, because the free Europe, the European Community, will be a great economic unit. But I do mean that at a time that the United States furnishes the security shield for Europe, that we can at least expect from our European allies and friends that they will consult with us and not work actively against us in the political field or the economic field. It is that point I was trying to make.

The other point that I made I would like to elaborate on, too. Some have thought that as a result of my statement in Chicago, that I would go along with the Mansfield amendment or others to uni-

laterally reduce our forces, and I am sure that question was in your mind as well.

I will not go along with that regardless of what happens in terms of the economic and political arrangements, because it is in the vital interests of peace in the world and in the interests of the security of America as well as Europe that that alliance be continued and that there be no reduction of American forces in Europe unless it is mutually agreed with the Warsaw Pact and, of course, with the Soviet Union.

That, of course, will be one of the subjects we will discuss when I go to meet with Mr. Brezhnev.

So, I will continue to work for a continuation of cooperation in that field. The point I was making in Chicago, and I must speak very bluntly—and everyone in this audience knows it—there is growing in America a new sense of isolationism. After Korea, after Vietnam, many Americans say, “Let us bring everybody home. We have carried the burden long enough. Bring them home from Europe, bring them home from Korea and other places in the world, and we will take care of ourselves.”

That is good short-range politics. It is disastrous long-term statesmanship, because the United States must play, as the major free world power, a positive role in Europe and in Asia, if we are to be able to have a generation of peace and perhaps an even longer period of peace.

And so will we continue to work with our European friends even though we, at times, disagree. But they must understand that in the event that their policies in the political and economic fields appear to be hostile to us, it is going to be hard for any President, including this President, strong as I am for the alliance, to get through

the Congress the necessary appropriations to continue doing what I think we have to do for their security and ours.

That point needs to be made. I think they understand it. And as a result of their understanding it, I believe we are going to make progress in the economic and political fields.

COOPERATION WITH SPECIAL PROSECUTOR
AND HOUSE JUDICIARY COMMITTEE

[17.] Q. Thank you, Mr. President. Dan Rather, with CBS News. [*Sustained audience reaction*]

Mr. President—Mr. President—

THE PRESIDENT. Are you running for something? [*Laughter*]

Q. No, sir, Mr. President; are you? [*Laughter*]

Mr. President, I believe earlier that you said that you had cooperated completely with the grand jury investigation. It was my impression—and I could be wrong about this—but that the record shows that that is not quite the fact; that number one, that the grand jury asked that you come down and tell your side of some stories they had heard, and that you declined to do that. Number two, that the Special Watergate Prosecutor, Mr. Jaworski, indicated in a letter to the Senate that he did not get all of the evidence that he thought he needed, and I would be interested in hearing you reconcile what I believe is on the record of these previous statements.

My basic question is this: That in recent days you have, in effect, attempted to define the limits of the House Judiciary Committee investigation, what evidence that they have access to. Now, since the Constitution, and I think, without qualification, clearly assigns to the House of

Representatives impeachment investigations, how can the House meet its constitutional responsibilities while you, the person under investigation, are allowed to limit their access to potential evidence?

THE PRESIDENT. Which one of the questions do you want me to answer? [Laughter]

First, with regard to the first part of the question, Mr. Rather, what I was referring to with regard to cooperation was that Mr. Jaworski, at the time he handed down the indictments, said that he had the full story on Watergate. You reported that on CBS, I think, as did other reporters, quite properly.

Now, as far as appearing before the grand jury was concerned, I respectfully declined to do so, and incidentally, I would advise no President of the United States to appear before any grand jury. That would be not in the interest of the Presidency of the United States.

Now, if you would repeat your second question so that we can keep our train of thought.

MR. RATHER. Well, the second question had to do with the House impeachment investigation. I pointed out that you have sought to limit, to define the limits of that investigation, what evidence they have access to and what evidence they should not have access to.

Now, given the constitutional assignment to the House of Representatives of an impeachment investigation without qualification, how can the House committee do its job as long as you, the person under investigation, is allowed to limit their access to potential evidence?

THE PRESIDENT. Well, Mr. Rather, referring to the House of Representatives, just like the President, it is bound by the Constitution. The Constitution says spe-

cifically that a President shall be impeached for treason, bribery, or other high crimes or misdemeanors.

It is the Constitution that defines what the House should have access to and the limits of its investigation, and I am suggesting that the House follow the Constitution. If they do, I will.

FARM PRICES AND PRODUCTION

[18.] Q. Mr. President, Grant Price, the KWWL Station, Waterloo, Iowa. I would like to go back to the question of food production, if I may. Your Administration has asked our farmers to embark on all-out production, I believe, as one of your—as part of your program. In view of some of the USDA miscalculations of the past, notably with respect to the impact of the feed grain exports last year on domestic reserves, what assurance do the farmers have that their super output will not lead to a disastrous break in farm prices, as in fact has already occurred in the beef feeding industry?

THE PRESIDENT. Well, first, let me say that despite what is called a disastrous break in farm prices, the farmers have never had it so good.

Second, we want them to have it good, because the farmer is not going to produce unless he gets a good price—and I know Iowa well because, as you know, I was stationed there during the war.

The second point that I would like to make is this: That with regard to the USDA, I don't think we can be too critical of their predictions, because there is one thing that the USDA, with all of their expertise, cannot control and that is the weather. The weather throws them off sometimes.

This year, however, Secretary Butz, for

whom I have very great respect, has checked these facts, and I have gone over it with him over and over again. He assures me that the feed grains will continue, that we are going to have a bumper crop to begin with. But second, with regard to the demand, the demand worldwide, is still going to be very big.

I do not expect that the farmers of this country are going to have a bad year in 1974. But the prices that they had, for example, \$14 for soybeans, that was too high. Now perhaps it is \$7. That is still about \$3 more than it was when it was \$4. And \$7 is pretty good.

I am simply suggesting that as far as the farmers are concerned, I think they are doing very well, and our policies, our policies of opening new markets for them abroad—and that is one thing that our negotiations with the Europeans is all about—we believe that Europe's markets should be open to our farmers rather than closed. We believe that Japan's markets should be open to our farmers rather than closed. So, we will have plenty of markets abroad.

But at the same time, we want to see to it that in our export programs abroad we don't create shortages here which forces prices that the housewife pays to exorbitant heights, because our first concern is what the American housewife pays for things, and we are not going to be exporting so much that we have shortages here at home to feed our cattle and to do the other things that are necessary to keep prices on a reasonable basis.

PRINCIPLE OF CONFIDENTIALITY

[19.] Q. Mr. President, Tom Brokaw of NBC News. Following on my colleague Mr. Rather's question, you have referred

here again tonight, as you have in the past, about what you call the precedents of past Presidents in withholding White House material from the House Judiciary Committee. But other Presidents protecting the confidentiality of their conversations were not the subject of impeachment investigations, Mr. President, and in fact, many of them wrote that the House Judiciary Committee, at least Congress, had the right to demand White House materials in the course of the impeachment investigations. And history shows that Andrew Johnson gave up everything that the Congress asked him for when he was the subject of an impeachment investigation.

So, Mr. President, my question is this: Aren't your statements to that matter historically inaccurate or at least misleading?

THE PRESIDENT. Mr. Brokaw, it is true, as you say, that the only other President who was exposed to an impeachment investigation was Andrew Johnson, and insofar as that particular part of your question is concerned, you are correct.

However, insofar as the principle of confidentiality is concerned, that principle still stands, and it affects an impeachment investigation as well as any other investigation. Because in the future, if all that a Congress under the control of an opposition party had to do in order to get a President out of office was to make an unreasonable demand to go through all of the files of the Presidency, a demand which a President would have to refuse, then it would mean that no President would be strong enough to stay in office to resist that kind of demand and that kind of pressure. It would lead to instability. And it would destroy, as I have indicated before, the principle of confidentiality.

With regard to the problem, I simply

want to say this: It is difficult to find a proper way to meet the demands of the Congress. I am trying to do so and trying to be as forthcoming as possible. But I also have another responsibility. I must think not of myself but I must think also of future Presidents of this country, and I am not going to do anything, and I am not going to give up to any demand that I believe would weaken the Presidency

of the United States. I will not participate in the destruction of the Office of the President of the United States while I am in this office.

MR. JOHNSON. Thank you, Mr. President.

NOTE: The question-and-answer session began at 7 p.m. in Jesse Jones Hall. It was broadcast live on nationwide radio and television.

84 Remarks Following a Tour of the Lyndon B. Johnson Space Center, Houston, Texas. *March 20, 1974*

Dr. Fletcher, Dr. Kraft, distinguished guests, ladies and gentlemen:

I first want to pay my respects to those who have been in the Skylab program. I want to do so, particularly, right here in Houston, but I want the whole Nation to hear this, I would trust, as well.

When man first landed on the Moon, of course it was an enormous event—and the second time and the third time. Even the first orbital flight, as we all recall—those names are legendary. But then, sometimes here in America we become accustomed to extraordinary feats, and sometimes we tend to take for granted bravery, intelligence, courage, all of these wonderful attributes that those men have displayed on this 84-day mission in space.

But let me say, while we sometimes take it for granted, that does not mean that we do not recognize not only their ability, but that we also recognize the contribution they are making to America and to science and to better relations between nations.

In that respect, I simply want to say that I wish there were more we could do for them than simply present these medals, which I hope they will never have to hock.

I think we pay well enough, don't we, Dr. Fletcher?

As a matter of fact, I invited them and their wives, too, as has been my custom, to spend a weekend at Camp David, which is the Presidential retreat. And after those many days in space, I think they will enjoy the lonely solitude of that beautiful place, which Franklin D. Roosevelt called Shangri-La, and when they are there will understand why it is called that.

Sometimes when the clouds—it is sometimes right above the clouds, and the clouds are right around you—when it is like that, you might think you were in space. Not having been in space, I am not sure they will think that, but whatever the case might be, that is the situation.

The other point that I would like to make, and Dr. Fletcher, if you would consider this—it will have to be after, I understand, perhaps around 1980 or so—but I understand that you will make it possible for people that are not trained in space to be passengers, and I would like to volunteer. My blood pressure is 120 over 72.

I don't know whether I could pass all those other tests, for dizziness, et cetera,

which they passed, but in any event and not now speaking facetiously, let me say that shows how far we have come and also what great vistas remain for the future.

Also, could I pay my respects not only to these three men, to their families, but to you, ladies and gentlemen, and to the thousands working in the space program.

I asked Dr. Fletcher, "How many people are working?" He said, "Well, there are about 3,000."

"No, no," I said, "not only here, but everywhere across the country, in private industry, subcontracts, et cetera, et cetera."

He said about 120,000 people are working on the Skylab program and on the Soyuz program—120,000 people. Most of them aren't going to get medals. Most of them aren't going to be recognized as these three are being recognized, but every astronaut I have ever talked to says it is because of those men and women on the ground that we were able to do what we did in the air, and I applaud those on the ground, all of you. We thank you for your service to make what they did possible.

I would like to now add a word with regard to the joint expedition that will take place, I understand, in July of 1975 with the Soviet cosmonauts, and just to indicate that I know a little Russian—I understand that they are here—I will say, "*ochen' priyatno poznako-mit'sya*," which means, "Very happy to meet all of you."

But referring to the cosmonauts and the Americans allows me to say something in the whole area of foreign policy which I think we in America need to understand, and that is why these joint projects

with the Soviet Union are so important to America, to the Soviet Union, and to the whole cause of peace and progress in the world.

Our systems of government are very different. Mr. Brezhnev and I have had some very interesting debates about the value of their system and the values of ours.

But as far as our great objections are concerned in many areas, they are the same. The Russian people want peace, and we want peace. The Russian people want progress, and we want progress. The Russian people want to cooperate with the United States, and we want to cooperate with the Russian people and with all people on the Earth in anything that will advance the cause of science, the cause of health, the cause of a better life for all of our children, as well, of course, as the cause of peace.

I do not mean that simply because we are going to have this joint project with the Soviet Union in the field of space that the differences between our two systems will change or that the differences that we have in various parts of the world where our interests will evaporate. Mr. Brezhnev as a realist knows that, and I as a realist know that as well.

But I do know that the Russian people are a great people, the American people are a great people, and we can be so much together, and when we can work together, let's work together. That is what this program is about.

I remember when this whole space program began. You remember Sputnik and when some in the administration—at that particular time it happened to be an administration of which I was a part—called it outer space basketball, and there was a

tendency somewhat to think of it as a stunt. And there are many even in the United States today that raise the question, why go to the Moon? What is there? No people. Why have this orbital mission?

And let me put it in terms of what it means to America, to any great people. A great people must always explore the unknown. Once a great people gives up or bugs out, drops out of competition of exploring the unknown, that people ceases to be great.

Two centuries ago, three centuries ago, exploring the unknown meant Spanish and French and British sailors and the rest crossing the seas, not knowing what they would find, looking for a new world. And now we know our world, and there are other worlds out there, far out. What are they? What is the unknown? We must go. We must go, because since it is there, failure to try to find what is there means that we have lost something that has been great in the American spirit from the time that we were a very small nation.

You remember when we were just 13 colonies and how those pioneers went across the country. They were exploring the unknown. The other day, I remember I was a little concerned that it took 10 minutes more than the 3-hour schedule for our flight from Washington down here to Houston, and I think of my great-grandparents, or my grandparents, coming across the country by train, my great-grandparents, of course, and yours perhaps, in covered wagons.

We think, for example, of how much has happened since then and how much progress we have made. What I am saying, however, is this: You need not need to know that there is something there in order to have justification for trying to find out what is there. That is the mark of

the scientist, but it is also the mark of a great people.

So, we must explore the unknown. That is why we are putting the money that we are into the space program—putting it in there because we realize that not only might we learn something but also that we are going to do something for the American spirit, which is tremendously important, which allows me to pay a tribute to our astronauts and what they have done for that spirit.

They have traveled America, and they have traveled the world, and believe me, they represent the best that is in America, these fine young men. I was going to say young men until I saw the men that are going to be on this next spacecraft. *[Laughter]*

I asked Colonel Stafford¹ about that, and he said, "Well, you ought to know," he says, "experience, also, counts." But let me tell you, the reports that we receive around the world, universally, from the Communist world and the free world have been ecstatic, about how magnificently our representatives in space have represented us as they have gone around the world.

One of the byproducts—there are technological byproducts, there are scientific byproducts—but the greatest byproduct is this: what it does for our own spirit, that we as a great nation are moving forward in this area.

And now, finally a word with regard to cooperation with the Soviet Union. I am not going to get into some of the political problems and the other problems that are so difficult to solve that will be discussed again at the third summit, but coopera-

¹ Col. Thomas P. Stafford, USAF, was training at the Johnson Space Center to head a 3-man United States crew which was scheduled for the joint Apollo-Soyuz Test Project.

tion with the Soviet Union in the field of space and in other areas that have received perhaps too little attention.

Did you know that we have a new program which we developed at the first summit in Moscow in 1972 for cooperation between American doctors and people from the medical profession in America with Soviet doctors and people from that profession in the Soviet Union?

Think what that might mean. I know all of you have heard of the new program that I announced 2 years ago for \$100 million that we are going to spend in order to find, if we can, an answer to the problem of cancer—and maybe, the doctors tell me, it is many answers, not like polio where one vaccine is the answer, but many answers.

The other day, perhaps 3 weeks ago, a month ago, I called a little 8-year-old boy in Florida. His father had asked me to call. He had leukemia. They knew he wasn't going to live. I think he knew it, although they had not told him.

And I remember that call, his voice, his spirit. We talked about the Dolphins.² He guessed the score better than I did. Today that boy is dead. And thousands of others here, in the Soviet Union, in Europe, Africa, Asia, Latin America, will die of cancer and other diseases because we haven't found those answers.

Now, where is the answer? It may be in America. We have, I believe, the best medical profession in the world. But it might be in the Soviet Union, or it might be, for example, in Africa or Asia or Latin America. But wherever it is, that spark of genius that could find an answer or one of the answers to any one of the diseases that devastate mankind, we must go for-

ward together to see that we allow it to develop.

And we also know this: I was not a Boy Scout—and I see one here—but I remember they used to tell me about the Scouts, that they had learned to rub sticks together, and when they rub them together they can create a spark. And so it might be that Soviet doctors working together with American doctors, rubbing together, may find that spark that each working separately might not ever find.

And so I say to you, there are differences in the world in which we live. Thank God, we are at peace for the first time in 12 years, all of our prisoners of war are at home. We are negotiating with the Soviets, with the People's Republic of China, two systems with which we have broad ideological differences. But wherever we can work together, whether it be exploration of space, or in cleaning up the environment, or in finding the answer to those diseases that plague mankind, let us have the statesmanship to see that we work together rather than separately, because all of mankind will benefit, not just America, and that is what we want.

And now I understand it is time for the coffeebreak.

And I will simply conclude my remarks by saying something with regard to my last visit to Houston, because it also tells us something about life. It was here, when the Apollo 13 crew came back. They didn't make it, but they got back. And there was some who said they were failures. They didn't fail. The men and women on the ground didn't fail, because you are only a failure when you give up, and they didn't give up.

And to me, those men with their courage, with their ingenuity, even though they didn't make it, they told us something

² Miami Dolphins professional football team.

about the spirit of America, a spirit that keeps us moving forward as the greatest nation, we believe, in the world today, a spirit that tries always to be the very best but is never deterred by the fact that sometimes we may not succeed.

And so today, we applaud those who tried and did not make it. We applaud those who tried to get on this crew and weren't old enough. [*Laughter*] And we pay respects to the great American scientific, mechanical, clerical communities that have made it possible for America to be first in space. You have contributed to a great technological breakthrough. But most important, when history is written in perspective 20 years from now, you have contributed to what is far more important: the spirit of a great country, which means always look out toward the unknown, go there, take any risk, make any sacrifice, and never be discouraged because, sometimes, you may fail.

Thank you.

[At this point, Lt. Col. Gerald P. Carr presented the President with a commemorative pen and pencil set. The President then resumed speaking.]

You know, when I spoke of these older men, I watched his eyes; he doesn't wear contacts.

I am very appreciative of this memento, and it will, of course, go in the Presidential Library along with other items that have been brought back from our various space ventures. And I am particularly grateful that you had the ingenuity to bring me a pen, and a ball point, and a pencil. That shows there is no discrimination as far as you are concerned.

My purpose is not to delay you longer, except I would not want the occasion to pass—you know, those people who came out here, they had to learn "Hail to the Chief" and all the rest, so to the Clear Lake High School band, how about a hand for them, too.

NOTE: The President spoke at 11:18 a.m. outside the Visitor's Center of the Lyndon B. Johnson Space Center.

James C. Fletcher was Administrator of the National Aeronautics and Space Administration, and Christopher Kraft was Director of the Space Center.

Prior to his remarks, the President awarded the NASA Distinguished Service Medal to Skylab 3 astronauts Lt. Col. Gerald P. Carr, USMC, Col. William R. Pogue, USAF, and Dr. Edward G. Gibson.

Earlier in the day, the President attended a breakfast reception of Texas business and Republican leaders at the Hyatt Regency Hotel in Houston.

85 Statement on the Death of Chet Huntley.

March 20, 1974

I HAVE LEARNED with sorrow of the death of Chet Huntley. One of America's earliest and finest television newsmen, he will be remembered as a pioneer in electronic reporting and as a true professional who tried to present the news fairly and objectively.

Mrs. Nixon and I extend to Mrs. Huntley our heartfelt condolences.

NOTE: Chet Huntley, 62, died in Bozeman, Mont. From 1956 to 1970, he co-anchored the National Broadcasting Company's evening news program, the "Huntley-Brinkley Report."

86 Radio Address About American Education.

*March 23, 1974**Good afternoon:*

The Congress is rapidly approaching the time when it must make decisions that will significantly affect the future of American education.

Today I want to share with you my thoughts on those decisions and urge your support for the choices that I believe would be best for our schools and for our children. During the last several decades, as we all know too well, there has been a tendency to concentrate more and more power in Washington in many areas, including education.

Today we have come to realize that this trend does not make good sense.

Bureaucrats in Washington cannot educate your children. Your children can only be educated by you in your homes and by their teachers in their schools. You understand their needs, and you understand their special problems and desires. Above all, you understand better than any Federal official what is best for your children.

For example, parents know that the education of their children can most effectively be carried out in neighborhood schools. They are naturally concerned when the courts, acting on the basis of complicated plans drawn up by faraway officials in Washington, D.C., order children bused out of their neighborhoods.

In 1972, I proposed legislation designed to limit forced busing. Today I urge favorable consideration of antibusing amendments, such as the amendment currently being sponsored by Representative Marvin Esch of Michigan.

During the past 5 years, dual school

systems have been dismantled in much of the Nation with minimal forced busing. Parents, students, and school officials are entitled to a major share of the credit for this accomplishment, an accomplishment which demonstrates that excessive forced busing is neither necessary nor desirable.

A belief in the wisdom of the local communities and the parents of our school-children has been the guiding educational philosophy of this Administration since we took office. That is why I have also proposed legislation which would streamline our tangled programs of Federal aid to elementary and secondary education and return control over those programs to the States and to the local communities.

With the cooperation of the Congress, I believe we can turn our hopes for more local control over education into reality within a matter of weeks.

The House of Representatives is now considering a bill that represents a step in the right direction toward more community and State control over their elementary and secondary schools. The House committee has favorably reported on this bill, and a vote is scheduled next week. This bill, H.R. 69, does not incorporate all the revisions I have suggested, but it is an important first step. I urge its passage.

I regret that the Senate, on the other hand, is giving serious consideration to a bill that will move us in precisely the wrong direction. Instead of simplifying the Federal process for funding, many provisions of the proposed Senate bill would complicate it immeasurably. The result would be a bureaucratic nightmare,

built on good intentions, but hopelessly bound up in miles of redtape.

On March 5, I sent a letter to the chairman of the Senate Committee on Labor and Public Welfare stating my intention to veto any bill that complicates the funding process and hinders the return of control to States and communities. I repeat that intention today.

The Federal Government has a role to play in education, but that role must never place Federal employees—your employees—in the role of master social planners. Instead, Washington should use its resources to help you and your teachers do a better job of educating your children. It is you, as parents and teachers, who should decide how that job can be done better.

Let me illustrate the problem we face in our current Federal programs in education. Suppose you were buying furniture for your house, and you were borrowing in order to do so. It would be absurd for you to have to take out a different loan for each piece of furniture. It would be even more absurd if you were not allowed to choose whether to have one sofa and two armchairs or two armchairs and a dining room table. But that is how some of our most important Federal education programs work today.

To get Federal money—your tax money—for teachers or books or equipment, your school board has to sort out over 50 Federal educational programs to find the one that comes closest to matching its needs. Next, your school board and officials have to check a stock of Office of Education publications to discover the right way to apply for the available money. And finally, they have to wait for a decision from Washington to find out whether

they get any money. All of this can take from 3 to 9 months, depending on the Washington timetable—not the timetable of the school year, which, of course, is the important one to you.

Your school district will probably be putting together its budget for the coming school year during this month and next. If past history is the rule, your school board will not know what Federal funds it can count on until the school year is half over.

Here is how the kind of legislation I support could chop through this mass of redtape and cut out the delays:

First, it would consolidate funding for our current fragmented programs. State and local school districts could then draw upon the consolidated funds and would make the basic decision on how that money shall be spent. The bill now before the House of Representatives would represent progress in this direction.

Second, the legislation I have proposed would provide Federal money to schools a year in advance. This would enable your school board to plan ahead, knowing how much it can count on from the Federal Government.

I intend to request almost \$3 billion in supplemental funds to enable us to get Federal funds to the schools this spring so that for the first time, they will be able to plan ahead, knowing the size and extent of the Federal contribution.

But unless the Congress quickly passes an education bill that serves the best interests of the American people, we cannot send the funds to the schools this spring, and this is when they need it.

Let me now turn to the problem of financing an education beyond high school. We have made a big step forward by start-

ing the Basic Educational Opportunity Grants program.

This program is designed to insure that every qualified student in America has an opportunity for post-secondary education, whether in college or vocational school. This program, fully funded, would offer every eligible student a maximum grant of \$1,400 per year. He would receive less to the extent that his family could reasonably be expected to contribute toward his expenses.

The law establishing this program is now on the books, but the Congress has not yet responded to my request of 1973 that we provide the money it takes to do the job. I again urge the Congress to provide these funds—\$1.3 billion in the budget I submitted earlier in February.

This program will not provide total financing of education beyond high school. American parents are not asking for Government to do the whole job of enabling their children to continue their education. But it will provide significant assistance to eligible students.

An important companion to the Basic Grant program is the Guaranteed Student Loan program. During the coming year, this program will provide almost 1 million students with loans averaging \$1,250 each. At my direction, the Secretaries of HEW and the Treasury will soon be contacting the Nation's lending institutions to urge them to increase the funds which they make available for student loans. In addition, we have proposed to the Congress several measures designed to increase the availability of loan funds—including an increase in loan ceilings.

I intend to take every step that is necessary to make sure that student loan funds are as widely available as the need—both

for students who will be qualifying for Basic Grants and for students from families who do not need a grant but want to spread the cost of education over several years by borrowing funds.

The programs I have discussed today and our other programs in education are designed for one basic purpose—to provide a chance for every American child to realize the full benefits of a great education system. During the past 5 years, we have made significant progress toward that goal.

We have established a new program of Basic Educational Opportunity Grants to further our goal that no qualified student be denied access to education after high school for lack of money.

We have provided special aid for local school districts to help them deal with problems of desegregation.

We have created a National Institute of Education to marshal our research skill systematically so that we can better understand how students learn, how they can be taught more effectively.

We have provided support to develop new ways of helping children learn to read.

We have substantially increased support to colleges serving minorities and students from economically disadvantaged backgrounds.

We have done well. But we can do better.

A century ago, the great British statesman Benjamin Disraeli said of his own nation: "Upon the education of the people of this country the fate of this country depends." Precisely the same is true of the United States.

We have, in less than 200 years, developed the finest system of education that

the world has seen. In large part because of that system of education, in terms of prosperity, progress and opportunity, America has become the envy of the world.

Our educational system is not perfect. But I am confident that by working together, we will insure that the future of our system of education, which is so closely

bound up with the future of our Nation, amply fulfills the promise of its past.

Thank you and good afternoon.

NOTE: The President spoke at 12:07 p.m. from Camp David, Md. The address was broadcast live on nationwide radio.

On March 21, 1974, the President met with Secretary of Health, Education, and Welfare Caspar W. Weinberger to discuss the education bills pending in Congress.

87 Remarks to Members of the American Agricultural Editors' Association. *March 26, 1974*

Ladies and gentlemen:

I know you have already had a very full day with a breakfast meeting with Members of Congress and also other meetings during the morning; luncheon, where Earl Butz, the real expert in this field, and other officials in our Administration addressed you; and you are going to have quite a full afternoon with some of our experts who deal with some of the problems which you are interested in as agricultural editors and ones who, I think, can carry this message back across the country to those who are interested in the problems of agriculture. You will have the opportunity to hear from them, Mr. Simon and others.

I think perhaps of greatest value to you as far as any presentation by me is concerned would be an overview, an overview as to where we have been, where we are, and what the prospects are for the future.

Projecting the future, of course, is always rather hazardous, but I think we have some rather sound bases for making a very positive estimate of what the future holds, not only for the American economy generally but for American agriculture.

I go back 5 years, of course, to the time

when I came into office, and you may recall that at that time, there was a sense of a very strong economy; unemployment was low. However, it was an economy that had some very healthy aspects, but also some very unhealthy ones—the unhealthy one being the fact that it was highly inflated by war production, a cost in many ways which we all understand, but which is particularly understood when we realize that at that time, we were suffering casualties of about 300 a week in Vietnam.

In those past 5 years, we have seen changes on the international front. Peace has come, and consequently, we can look at our economy in terms of what the prospects are in peacetime, rather than in wartime.

Insofar as agriculture is concerned, while the rest of the economy in January of 1969 appeared to be strong, while unemployment was low, while industry was producing at high levels, we find that as far as agriculture is concerned, agriculture was not getting its fair share of the national income. I said that during the campaign of 1968, and when I came into office, I found that what I had said in the campaign was true.

I found, for example, that the figures were rather startling and very depressing insofar as anybody who was speaking to a group of people representing the farmers of America. Farm income was at \$14 billion. It sounds like a lot of money in one sense, but when we consider its relationship to the balance of the national income, it is very low, because at that time, farmer income was only 73 percent of what non-farm income was.

I think, projecting that in more simple terms, the per capita income for an individual in agriculture was only 73 percent of what the national per capita income was. That meant that the farmer was not getting his fair share of America's production or of its prosperity, whichever way you want to call it.

Now, I would not like to suggest that everything that has happened since then in terms of changing that ratio is due to the policies of this Administration. However, what we have done has had some effect, and beneficial effect, because one of the goals we set at the outset was to see that agriculture got a bigger share, a more fair share, of the total income of this Nation's prosperity.

You know the numbers better than I do. That \$14 billion figure has now gone to \$26 billion. Even taking out inflation, it is a very substantial increase in net income for our Nation's farmers. I think the important number, however, is that the per capita income for an individual who is in agriculture, his share has risen from 73 percent to 93 percent.

That still isn't equal to what an individual who happens to go into some vocation other than agriculture, but it is a lot better than it was, and it is the way, of course, it should be because of the great contribution that agriculture and the Na-

tion's farmers do make to the welfare of all of the people of this country.

Another area that we have seen a rather drastic improvement in is in the field, as you know, of our exports. In the year 1968, and 1969, as far as our foreign markets were concerned, leaving out what production was exported for purposes of war, we found that those markets were not nearly as high as they ought to be, and comparatively speaking, what we have seen, of course, is an opening up of markets abroad that we never had before.

Here is where we have a situation where our foreign policy has a direct effect on our agricultural policy and on the welfare of our Nation's farmers. The opening to China, the new relationship with the Soviet Union, some hard bargaining on the part of our negotiators with regard to trade has resulted in the fact that farm exports now, exports particularly in the area of feed grains, have reached a very, very high level.

And they will continue to be high, incidentally, a point that I will elaborate on toward the conclusion of my remarks.

So much for the overview, looking at what it was 5 years ago and what it is today. There are some weak spots, weak spots that you gentlemen are perhaps far more familiar with than I am, but there are weak spots that we have been working on. Many of them, incidentally, I would have to say were energy-related.

First, for example, we hear of the problem of fertilizer, and as you know, we have taken some action to deal with that problem. We have asked the Nation's railroads to provide more cars for the purpose of transporting phosphate, for example, from Florida so that we can get more fertilizer.

We have asked those who produce fer-

tilizer to put a bigger portion of their effort into the production of fertilizer, rather than into other areas. This, of course, is only jawboning, because we cannot control them, we cannot direct it. The market is what will eventually determine what they do in this particular area.

In that field, however, I would like to point up another area where there is a cross-fertilization, so to speak, of policies. You have often heard me call upon the Congress to act on the proposal to deregulate natural gas. Now, that would seem to be only something that would affect the heating of homes in New England and other parts of the country.

On the other hand, if natural gas is deregulated, it means that gas that now is not being produced and is not being shipped interstate because of a price level that is too low will be produced and will be shipped, and that means, of course, more production in all areas which have to do with the energy problem and particularly in the fertilizer area.

I don't think of any one single thing that the Congress could do in this particular area that would be more helpful than the deregulation of natural gas. It will take some time before it will have its effect, but there is no question that the answer in this field is more production.

The deregulation of natural gas, producing, for example, more, as we should, in some of our Federal preserves like Elk Hills, which again requires some action by the Congress, and our general program of making the United States self-sufficient in energy by the year 1980—all of these factors can contribute to helping on a problem like fertilizer and also on the general problem of energy for the farm. Mr. Simon will comment upon that.

As you know, I have stated once the embargo was lifted by the oil-producing countries of the Mideast that this meant that American agriculture should get 100 percent of its needs insofar as energy was concerned. This, of course, means oil, gas, propane, and all of the other areas.

Mr. Simon, I am sure, will assure you, as he has me, that they can meet this goal. We have the resources to do so. There will be some spot problems, but those problems will be dealt with, and he is prepared to deal with them whenever they arise. But the farmers, looking to the future, can be assured that they are going to have the energy that they need in terms of oil and gas and these other elements that I have spoken of, the energy that they need to produce at a maximum amount the food and the fiber that we need, and that, of course, is of such great importance to them, to their income, and to their welfare as well as the Nation's welfare.

Another problem, of course, that we are keenly aware of is one which we believe—and I think you would agree—is a temporary one, and that is the problem that the cattlemen face.

Having bought when prices were high and held on perhaps a bit too long, they are now in a situation where they would have to sell when prices are lower. What we can do in a situation like this is limited to an extent, but at least, as Secretary Butz, I think, has already reported to you, we have moved at a time when prices are lower—assuming that this may be a better time to buy than later in the year—we have moved with Government purchases in a rather substantial amount.

This is not going to solve the problem of the cattlemen, immediately or totally, but at least it is a move in the direction

which they, of course, want achieved. And I would say that the prospects for the cattlemen generally have to be good, because when we see the record production or at least the record predictions of production of feed grains, which will, of course, become available in the summer and in the fall and throughout the next year, this can only mean that the cattlemen and hog producers, other feeders and so forth, are going to benefit from that increase in production.

Another troublesome spot is one that I have addressed on many occasions to audiences of this type and for many, many years, going back perhaps over 27 years of public life, and that is, there is still too much of a spread between what the farmer gets at the farm and what the consumer pays at the market, supermarket, grocery store, or what have you.

I do not say this in a sense of trying to demagog about the retail trade people, the supermarkets, et cetera, et cetera, but I do say that at this particular time as we look at beef prices, that spread is one which most experts would agree is too great, and it is one where I would hope that those who are in the retail business, those who are in the middle, will recognize that they have a responsibility to reflect the lower prices that the farmer is receiving in the prices that eventually the consumer has to pay.

Turning now to what the prospects can be for the future, I think there are several factors that will be of interest to you. You recall right after the oil embargo was applied by the Arab countries, there was a time, oh, running from November through December, even into January, when many economists predicted that there was going to be a world recession and

that, because of the world recession, that would inevitably have its effect on the United States and that we would have one as well.

Those predictions now appear to have been premature. They not only appear to have been premature, looking at the situation as we see it from now, I can, I think, rather safely predict that the demand for farm products, a demand which is worldwide and which has been going up because people are living a little better all over the world, because the United States is selling to more nations—the People's Republic of China, the Soviet Union, others to whom we never sold before—the world demand is going to increase. And as that demand goes up, it means that we can continue on our policy, which is, I think, one that all farmers will support, and that is instead of having a policy of scarcity and managing a scarcity, we should have a policy of full production and attempting to develop the markets abroad as well as at home so that the farmer in the United States can produce to his maximum and know that markets are going to be available for his production.

A word about some of our policies that may affect the welfare of farmers in the future: First, with regard to trade generally, as I have pointed out recently in meetings in Chicago and then again in Houston, it is very important for us to realize that in our relationships with our friends—and they are our friends, our European friends and our friends in Asia, like Japan, the great industrial countries—we are having, as we have had in the past and will have in the future, trade negotiations, and I am insisting that our trade negotiators see to it that American

agriculture gets its fair share and its fair treatment whenever these negotiations take place.

It doesn't make sense for us to buy from other nations abroad and then to have our agriculture products shut out from markets abroad, whether they are in Europe or whether they are in Japan.

This involves some diplomatic difficulties. It involves some very hard bargaining. As a matter of fact, when one looks at the problems of the new Europe, "The Nine," agriculture is probably the most vigorously discussed and vigorously debated of all, even among "The Nine." But again looking at the United States and its relationship to the rest of the free world, not to mention the Communist world, it is essential that in our trade relations that American agriculture be strongly represented at the bargaining table. And Mr. Eberle¹ and others who have responsibility in this field have the signal, and they will carry out those instructions.

That should be, in the long run, good news for America's farmers, good news because it will mean, in addition to the feed grains, of course, for which there is an enormous demand already, that in certain other areas as well—citrus, for example—that we can open up markets that have not hitherto been available to us.

Another item that I think we have to have in mind is the problem of controls. We have gone through some experiment in this respect. We tried a ceiling, as you recall, on beef prices. It did not work. All it did, of course, was to cut back on the production, and eventually when the ceiling was removed, it had the effect of

seeing that prices were even higher as far as the consumer was concerned, because the farmer, of course, like any businessman, had every incentive not to produce at a time that he was confronted with a ceiling.

It is now the policy of this Administration—and will continue to be—that we will not again go down the road to controls.

I should also, however, make this point: When we speak of farm income, we have to remember that consumers have an enormous interest in what they pay for products when they go to the market. And while other items—clothing, for example, prices that are paid for automobiles and so forth, other items are all part of the family budget, and a much bigger part of the family budget, the most sensitive part of the family budget, is food, because that is the one that the housewife has responsibility for, that is the one that she becomes most concerned about. And consequently in this whole area, what we have to be concerned about is to continue to emphasize higher production and not simply higher prices, higher production because if we continue down a road or should go down a road in which the consumers again get the feeling—as they had at the time the ceilings on beef were imposed, and at the time price controls were imposed, on two different occasions—if they get the idea that that is the only answer, then that will be detrimental certainly to the Nation's farmers where controls have never worked—they will not work now—it is also detrimental to the economy generally.

So, I can tell you with assurance today that with the assistance, we trust, of the Congress in this area, we are going to avoid going down that road, because the way to lower prices—and the way is not

¹ William D. Eberle was Special Representative for Trade Negotiations.

through controls—the way to lower prices is through greater production.

We have a similar example, for example, in the case of fuel. You recall that it was necessary for me to veto an energy bill. The energy bill had a very attractive provision in it. It provided for a rollback of gasoline prices. Now, there is nothing that anybody in public office would like to do better than to roll back prices. Maybe gasoline should be 20 cents a gallon, which it was when I used to work at a service station many, many years ago. Everybody would like it. But if it were 20 cents a gallon, there would be no gasoline. We would have to have rationing. We would also have to have even longer lines than we have passed through in the past.

And so in the field of energy, as in the field of agriculture, it is our policy to go forward with a program of increasing production, increasing production, of avoiding controls, and through that increased production, to provide the incentives that will see that all Americans will share in what we believe will be an increasing prosperity for the American people, and of course, that means the American farmer will share in it as well.

I should point out one other factor that I think would be of interest to this group, and that is, that when we talk to consumer groups, it is important to make the point that Earl Butz has often made—and I have made it in speeches—that food, despite the fact that when we go to the supermarket it appears to be very highly priced, that food is still the best bargain in America of any country in the world.

The American housewife, budget-keeper, pays a lower percentage of her income, for the family income, of the family budget for food than of any house-

wife or budgetkeeper in the world. This speaks well for the Nation's farmers, and it also speaks well, certainly, for the type of policy that has resulted in the fact that with even fewer farmers than we have ever had, they are producing more, and as a result, that we are the best fed, best clothed people in the world. And as far as our food is concerned, it takes a lower percentage of the consumer's income than in any country in the world, poor or rich, and I think that particular statement can be backed up by statistical facts, in case anyone would question it, and I doubt if anybody in this particular audience would question it.

That, of course, is small comfort, I can tell you, if you are talking to a group of consumers, because as you well know, it is a question of how much does a hamburger cost today, what is the price of bread, what about the price of vegetables when they come in. And if those prices are up, that has an enormous effect, impact on that consumer, and always there is an attempt to find an easy way out, and the easy way usually in the past has been to say, "Why not control it?"

We have tried that way. It does not work, and certainly as far as this Administration is concerned, we do not intend to try it again.

One final point I would make, I think has been often made before farm audiences, but it should be made so that all of the American people would be aware of it, and that is what an enormous asset America's tremendous productivity on the farm is to us in helping to build a world of peace.

Whenever there is a famine any place in the world, what nation is the most generous—the United States of America. Not just because we are the richest but

because we produce more on the farm. We have more. We find that in terms of our foreign policy, for example, that the fact that the United States is able to produce not only enough for itself but enough to export as well, gives us an enormous bargaining leverage which has effect on all other elements of our foreign policy. And so, it can truly be said that the American farmer, as he produces more and as he produces more efficiently, not only contributes to his own welfare, not only does he contribute to the welfare of the American people but he contributes to a cause which he is dedicated to and which we, as all Americans, are dedicated to, of building a more peaceful and eventually, we trust, a more prosperous world.

Another point which I think should be made to this audience that I have often made in my appearances in many of the States which you represent or write for, is that our agricultural community, the great, what we call, heartland of America, makes another contribution that cannot be measured in dollars and income or anything else, but one that is absolutely essential, and I am referring to the fact that from this heartland of America comes strength for America's backbone, comes the character that America needs in this period when only America's leadership, and I repeat, only America's leadership, can save the cause of peace and freedom for all the world.

I make that point simply because I have had considerable experience, as you are quite aware, in not only going through the great difficulties of ending America's longest war but also in attempting to go beyond that and to build a world of peace in meeting with our adversaries, those who might become our enemies if we did not talk to them now, of attempting to reduce

the burden of nuclear arms and other arms upon all the peoples of the world and particularly upon ourselves. And in order for America to meet this need for our leadership, in order for us to meet it, it is going to take strength, it is going to take character, it is going to take great dedication, and it is going to take a long view of the historical destiny of this country.

I feel strongly about America's destiny at this point, because as I look back over this century, I see that before World War I, we could look back and say, well, there were the French and there were the British and there were others who could stop the tide, then, of Nazi totalitarianism, and then in World War II, even then we waited, even after the defeat of France and Britain, and Churchill stood almost alone against those forces at that time.

I should have said, in World War I it was not Nazi totalitarianism; it was a different kind of aggression. World War II, of course, we were speaking about the Nazi totalitarianism.

But at the present time, as we look around the world, as a result of what happened in World War I, as a result of what happened in World War II, there is no other nation in the free world that has the military strength, that has the wealth, that has the productivity to lead the free world and to provide the kind of statesmanship in world affairs which is essential if we are to build a peace that will last, not only between the super powers but a peace that will perhaps come to the troubled area of the Mideast for the first time in many, many years, and which will avoid those conflicts which have plagued us four times in this century, that have cost us so much, not only in money but, even more importantly and more tragically, in the lives of our young men.

We are now in a period when we no longer, for the first time in 25 years, are drafting young men for the armed services. That is, of course, good news for all Americans. It is good news, of course, to those who live in America's heartland. But I should point out that in order for us not just to end a war but to build a lasting peace, America must continue to lead. We must be strong militarily, we must be strong economically. I think we will do both of those.

But we also must have the determination, we must have the character not to bug out insofar as world leadership is concerned simply because the burden has been so great, because if we do take that road, there is no other free nation that can take up that burden, and the result for all the world and for us, eventually, would be tragic indeed.

And so I conclude simply by saying that as I look at American agriculture today and those that represent it, I see it as one of the strongest elements of our great free society. It is essential to our program for building a lasting peace.

But I say, also, that those who work in agriculture—and it isn't just those few, and they are very few compared to the whole population who work on our farms, but those who are working in the related industries that also serve the farm—that those who are in that area, that they make an enormous contribution in terms of providing the character, in terms of providing basically the courage which this

Nation needs and which the world needs if America is to meet its responsibilities in the world.

My projection about the future then is, I think we are entering an era in which we may for the first time see a generation grow up without a war. I think we are also entering an era in which there will be expanded trade among all nations of the world, in which the standard of living for all nations in the world will gradually rise and for the United States as well; and I think, too, looking at the United States itself, while we have passed through and are passing through, still, problems in our economy, primarily energy-related, that the prospect for the future is good.

I think 1974 will be a good year for this economy, and that means a good year for America's farmers. I think '75 will be an even better year. And when we come to our 200th anniversary in 1976, I know it will be the best year in all America's history.

Thank you.

NOTE: The President spoke at 2:42 p.m. in the Executive Briefing Room at the Old Executive Office Building, where he and other Administration officials were briefing editors of national agricultural trade and professional magazines.

Earlier in the day, Earl L. Butz, Secretary of Agriculture; William E. Simon, Administrator, and John C. Sawhill, Deputy Administrator of the Federal Energy Office; Members of Congress; and agricultural leaders met with the President at the White House to discuss the effects of the energy situation on farmers.

88 Remarks on Presenting the Presidential Medal of Freedom to Melvin R. Laird. *March 26, 1974*

IF THE honoree will please step forward, we will baptize him. [*Laughter*]

I suppose, incidentally, that the midshipmen here, this is the first time you have seen the Medal of Freedom awarded. It is not an award that is given lightly; it is one that is given to distinguished former members of the Cabinet, to leaders of the Nation in many fields. It is the highest civilian award that this Government can provide.

[At this point, the President read the following citation:

THE PRESIDENT OF THE UNITED STATES OF
AMERICA AWARDS THIS
PRESIDENTIAL MEDAL OF FREEDOM
TO
MELVIN R. LAIRD

Few men have served America better than Melvin R. Laird. As a promising young State Senator, as an outstanding member of the United States Congress for sixteen years, as Secretary of Defense and as Presidential Counsellor for Domestic Affairs, he has superbly demonstrated a love of country, a strong capability for leadership and a brilliant understanding of people and ideas. Lawmaker, administrator, theorist and master of the American political process, Melvin Laird has helped to preserve a strong, free United States and has left an indelible mark on the history of our times.]

NOTE: The President spoke at 10:30 p.m. in the East Room at the White House. Prior to the President's remarks, members of the United States Naval Academy Glee Club had entertained guests at a dinner honoring Mr. Laird.

On the same day, the White House released a fact sheet on the Presidential Medal of Freedom.

Mr. Laird responded to the President's remarks as follows:

Mr. President, Mrs. Nixon, Vice President Ford, Mrs. Ford, friends:

I am very proud, Mr. President, of this presentation which you have made to me tonight, but I would like to make several acknowledgments.

First, I would like to acknowledge the strong support and help that you gave to me as Secretary of Defense for those 4 years. No President or Commander in Chief of our military forces could have given stronger, more understanding support than I received as Secretary of Defense.

Secondly, I would like to acknowledge the support and help of the Congress of the United States. For those 4 years, as we went to the House and to the Senate, on not a single occasion did the House and the Senate vote against us on a request, and we had many roll calls in the House and in the Senate. Several were close, but we always had a majority vote, and this majority was made up of Republicans and Democrats alike that understood what we were doing in the Administration and in the Department of Defense in our efforts to restore peace and to be able to maintain peace in the future.

And third, I would like to acknowledge the civilian-military team that made up the Department of Defense. In December of 1968, Dave Packard and I went down to the Carlton Hotel, and we locked ourselves up for almost 2 weeks to look at the problems not only that confronted our Department but the men and women that made up that Department, to go over the personnel and to try to put together a program and a team that would be able to carry forward on the pledges that the President of the United States made in the 1968 campaign to the people of America.

Dave and I spent a great deal of time interviewing people and going over the various programs that we would be presenting to the Congress for the new Administration.

We like to think we had a Nixon-Laird-Packard team that understood what participatory management was all about between civil-

ians and the military. And we like to think that we were a Department, 5 million strong, that was implementing the Nixon Doctrine of strength, partnership, and a willingness to negotiate. And we felt that the people of that Department, working together, understanding one another, gave the kind of leadership and the kind of understanding to the problems that faced us as we tried to Vietnamize a war that had been Americanized for some 4 years.

We changed policy there, and we carried out the pledge that was the pledge of the President of the United States to do away with the draft and move towards volunteerism in the military service, do away with conscript labor and start paying the young men and women who served in our service an adequate wage. And we were, I believe, successful in instilling that philosophy of the Nixon Doctrine throughout that Department.

And so, to these men and women, civilian and military alike, in all four of the services, this award means a great deal to all of them.

And the fourth credit is the credit that I would like to pay to my family: to Barbara; to John, who cannot be with us tonight, who is teaching school out in Los Angeles; to my daughter Alison; to our son David.

Barbara and I have been here in Washington for a good many years, but we will look back with a great deal of pleasure and a great deal of happiness to the years that we have served the Nixon Administration.

And I believe that in acknowledging the fine support that I have had from my family, I am joined by all of us in the Department of Defense tonight, Mr. President, in thanking you for recognizing what I think was a Department effort from 1969 through 1973, in changing some directions as far as America was concerned, in making it possible for us to look forward to a period in which the Nixon Doctrine will be truly a great reality of the 1970's and the 1980's.

Thank you very much, Mr. President.

89 Letter to the Speaker of the House and the President of the Senate Transmitting Proposed Campaign Reform Legislation. *March 27, 1974*

ATTACHED for the consideration of the House of Representatives (Senate) is the legislative proposal for Federal election campaign reform which I outlined in my message to the Congress on March 8, 1974. This draft legislation covers several areas which I believe must be addressed in any comprehensive election reform measure.

First, enforcement of reporting requirements and restrictions on contributions would be facilitated by the establishment of an independent Federal Election Commission and by requiring each candidate to designate a single campaign committee and a single depository for funds.

Second, by requiring that all contributions to political committees from individ-

uals be earmarked, by insuring full disclosure by all contributors, and by prohibiting the solicitation of contributions by intimidation, we would minimize the undue influence of special interest groups and strengthen the influence of individual citizens over the electoral process.

Third, by outlawing deceptive acts which are calculated to disrupt campaigns or mislead voters and by making it criminal to obstruct or impair an election or registration for an election, the draft bill would rightfully deter improper campaign practices.

I realize that the Congress is now considering a number of other campaign reform proposals, including public financing of Federal elections, but I believe the

Federal Campaign Reform Act of 1974 which I am proposing offers the best hope for change that works.

Sincerely,

RICHARD NIXON

NOTE: The letters were addressed to the Honorable Carl Albert, Speaker of the House of Representatives, and the Honorable Gerald R. Ford, President of the Senate.

The text of the draft legislation was released with the letter.

90 Remarks at the Annual Republican Fundraising Dinner. *March 27, 1974*

Mr. Vice President and all of our distinguished guests:

I am not quite prepared to speak because I understood the Vice President was going to talk for 10 minutes. He must have remembered that he was once a Member of the House of Representatives, where they have a one-minute rule.

In any event, too, I am sorry that I didn't get here in time for the music. I understand it was country-western. I guess that is why you are not in black tie tonight, Senator.¹

As a matter of fact, I was rather looking forward to getting here just before they went off, and my wife reminded me I left my Yo-Yo in Nashville. They tell me Chairman Bush had the piano removed from the stage just in case I might be tempted.

So, consequently, I will take the time that has been allotted to me to speak to you about our party, about our candidates, and about the upcoming campaign.

Now, I realize that this is a very distinguished audience and also one that paid a great deal of money for a rather mediocre meal. I don't know that it was that mediocre, but mediocre considering even the present prices—what you paid per seat is a great deal.

¹ The President was referring to Senator Bill Brock of Tennessee, who was master of ceremonies for the dinner.

When I think of that kind of contribution, I can remember the times when having \$10-a-plate dinners or \$50 was considered quite large, and I know how much each of you has contributed who have purchased tickets for this dinner. And what I would like to do is to tell you whether or not you made a good bet.

And I would like to put it, if I can, perhaps in terms of horseracing. There is really quite a relationship, in a sense, between betting on horses and betting on candidates.

Anybody who makes a sizable contribution to a campaign, just as anybody who makes a sizable bet on a horse, asks himself three questions: One, is it a good horse; second, does it have a chance to win; and third, is it worth it? Is it really worth it putting that money out?

Now, in the past few days I have had an opportunity to talk to our chairman, Chairman Bush, and to Senator Brock and Bob Michel,² and we have gone over most of the Senate races and many of the House races, and based on their report to me, I can tell you, you are betting on good horses this year.

² George H. Bush was chairman of the Republican National Committee, Senator Brock was chairman of the Republican Senatorial Campaign Committee, and Representative Robert H. Michel was chairman of the National Republican Congressional Committee.

As a matter of fact, I think we are going to field the best group of candidates that we have since the year 1966 when we gained 47 seats in the House and 3 in the Senate.

Now, I come to the second question: Do they have a chance to win? And here I know that there is always a tendency in the spring of an election year to assume that that is the time you determine whether or not your horse or your candidate, in this case the candidate, has a chance to win.

And I have seen, of course, as you have, some of the predictions that our candidates may not do so well this fall. But I would remind you a little of political history, and that is, never bet on what the situation is in the spring, because in the fall it will be different. And it will be different this year because we are going to win in the fall.

I go back quite a few years in political campaigning. I remember the year 1948 I had won both nominations—we could run on both tickets in California in that year in the primary—and consequently, I traveled all over the country that year, and I remember how high our hopes were in the year 1948.

We thought that all of our candidates were going to win, or most all of them, in those close contested districts, because the economy was in a slowdown, there were other problems that seemed to plague the current administration at that time. And then in the spring, after that spring, came the summer, and then came the fall, and what happened?

The economy picked up, the administration came up higher in terms of public support, and instead of winning, we found that we lost control of both the House

and the Senate. That is on the negative side.

Now let's turn to a good year—1966. It was just the reverse. I remember early in 1966—and some of you from across this country will remember—that I was out of the office at the time, trying to get back in, of course, but I was out then, but I was traveling all over the country for various fundraising events, and our people weren't very optimistic.

We had suffered a tremendous defeat in 1964. And in the spring of 1966, particularly the early months of 1966, it didn't seem that good. And I made a rather rash prediction to a group of press men at that time, in about March of that year. I predicted that we would pick up 40 seats in the House, 3 in the Senate, and 8 Governors. I missed a little. We got 47 seats in the House, 3 in the Senate, and 8 Governors. And the reason was because what appeared to be a good year for the administration in the spring of 1966 turned out to be bad in the fall because of an unpopular war that came to the attention of the voters.

Let's look at the lessons of those two campaigns. In 1948, it was the economy which was poor in the spring and very good in the fall. In 1966, it was foreign policy, the issue of peace, in which the prospects early in the year did not seem certainly very detrimental to the administration and those running on the administration tickets, but in the fall in which it was most detrimental to them.

And so, when you come right down to it, there are two great issues that move people in campaigns—just to oversimplify it, as we often do in our public appearances—peace and prosperity.

And I can tell you that first, on the

issue of peace, that this Administration and the candidates who support this Administration's policies are going to have a very strong case to present to the American people this fall.

And on the economic side, while we have been going through, as we know, some rather troubled times economically—many of them energy-related—the prospects are that as we come into the second half of the third quarter and into the fourth quarter, in that critical area of September and October, this economy is going to be on the upturn. Unemployment will be coming down again. And so, what we are going to have in the fall of this year for our candidates to point to is peace abroad and prosperity at home, and you give me a good candidate and he can win, running on that kind of platform. That is why I say they can win.

But now let me try to answer a much more profound question. It isn't very profound in horseracing. Is it worth it? There it is worth it if you have the money to lose. It is worth it if the odds are big enough or whatever the case may be.

I don't happen to bet horses and know much about it, but I understand that is one of the things that enters into it. But in the field of politics, the question of an individual who contributes to a campaign or a candidate, the question that he must ask or she must ask is this: Is it worth contributing to this candidate, is it worth working for this candidate, is it worth fighting for this candidate because he stands for something that is worthwhile?

In other words, is the cause, the cause that our candidates stand for, one that is worth your contributing to, not just what you have contributed tonight but more in the future? Is it one worth working for, because we need your work as well as your

dollars? And I say to you, it is. Of course, I am a little prejudiced with regard to the past record. I will discuss that only briefly, but I want to point out to you what our candidates will be for.

This is a year in which our candidates are not going to be running just against, they are going to be for some very great causes, causes that I outlined in the State of the Union Message and that I will outline for you very briefly tonight so that you can see in perspective what I mean when I say, yes, not only do we have good candidates, not only can they win, but it is worth it, worth it to you, worth it to your children, worth it to your country.

First, when you see whether or not it is worth it—and I know most of you who contributed tonight have been contributing to this Administration's candidates over the past 5 years—and as you look over that record, I think you will have to agree it was worth it.

Because what has happened? Well, the litany is one that has always been repeated, and you have heard it over and over again. But summarizing it briefly, when could an Administration point to, as our candidates will be able to point this summer and fall, to the fact that we have ended the longest war in America's history.

We can point also to the fact that we have ended the draft. Somebody was pointing out the other day that in 1968 our young people were burning draft cards. Why aren't they burning them today? Because there is no draft, and we can be very proud of that.

And we can also point out the fact that they are not burning up the campuses, and that is another point of change.

Our prisoners of war—I know that sometimes people may tire of hearing of

those brave men. It has been only a year since they returned, but Col. Robinson Risner, who was there for 7 years, was in to see me just yesterday.³ And as he left the office, standing there tall and proud wearing his uniform, going back to duty, I thought how all of us could be proud that we stood the course, that we didn't bug out, and that we made it possible for those men, who suffered so much and who were so brave, to come home as he did, on his feet and not on his knees.

And then in the field of domestic policy, without going into many of the details that could be covered in another speech, I can only say that an historic change has taken place. After 40 years of power moving from the people in the States and being centralized in Washington, D.C., we have turned it around.

We have made a beginning, and we are going to do more. But it is time that the power belongs to the people of this country, and we have done that in these last 5 years through our programs of revenue sharing and others with which you are familiar.

We have launched a winning war against one of those great plagues that sweeps nations at times, the plagues of dangerous drugs. It isn't won yet, and there is more to be done, but we have begun.

And there are many other areas that I could cover in this field, but most important, as we look at the whole picture, we find that not only did we end a war—

that has happened before—but that we have begun the process of building not just a peace that is simply an interlude between wars but a peace that will last so that the new generation will be the first generation in this century to grow up in a world of peace.

Oh, we can't guarantee it, but look what has happened: the opening to China, the negotiations with the Soviet Union, our negotiations also with our allies, the development of policies toward Africa, Asia, Latin America, all over the world, the programs that we are presently working on in the Mideast to bring to that troubled area of the world what it has not known for a generation—and as a matter of fact, for hundreds of years—real and permanent peace. All of this has happened. And I think I can safely say that more progress has been made in the last 5 years toward building a permanent peace in the world than any nation has made in the history of this world in those 5-year periods.

But our candidates will not just have to talk to the past, they can talk about the future. And they can talk about why they are needed in Washington at this time, why their votes are needed for a great program, a great program that has come not just from the President of the United States but from our leaders in the Congress, from the members of the Cabinet, and from others who have served in such a distinguished way in our Administration at this time.

Let me outline it for you briefly. In the field of health, a program that will provide health insurance for all of the American people who need it, that will provide health insurance for catastrophic illnesses, which is a weakness in most of the present programs and one which at the same time

³ On March 26, 1974, Col. Robinson Risner, USAF, accompanied by Senator and Mrs. Henry L. Bellmon of Oklahoma, met with the President in the Oval Office at the White House to present him with a copy of a book he had written, recounting his experiences as a prisoner of war in North Vietnam.

will not be socialized medicine, but which is based on private insurance and the private medical profession, so that we can maintain the principle that the doctors in this country will always be working for their patients and not for the Federal Government.

You are working for and you are supporting another cause in the field of education. I cannot outline all of the various features of our education program, as I did in a radio speech just a week ago. I can summarize two that are very important: One, the very simple proposition that I think most Americans overwhelmingly support, and that is, the place to educate our children is in their neighborhood schools and not have them bused across town; and second, for us to recognize that the Federal Government, because it has more access to funds than do State and local governments at times, has a role in education, but that when the Federal Government provides money for education, let that money be provided, but let it not come with strings from Washington, because the decisions with regard to what is best for education should be made by the local school districts and not by some bureaucrats in Washington, D.C.

In the field of welfare, where we have been trying to get reform and have failed and where we are developing a new program, where we have differences—have had—but where, I am sure, we can reach that kind of program that our candidates will be proud to run on, because it will have one great goal, one that I have reiterated time and again, and that I repeat again tonight: What we must have as our goal is a welfare program that will make it less profitable for a person to go on welfare than to go to work, because

that is the only way that America can be strong.

In the field of transportation, a program that will revitalize our Nation's railroads, a program that will continue the great start that we have already made in rebuilding our merchant marine, a program that will continue what we have done in the field of mass transit and, looking toward the future, will provide not only for the cities but for rural communities as well, the mass transit that they need so that our cities and towns will not be choked with traffic.

In the field of energy, one that has been, of course, so close to all of us because of the crisis we had in the Mideast and which is still with us, even though the embargo has been lifted, our candidates will be able to point to a program and a great goal. The goal is independence for the United States, independence in 1980, so that the United States will develop its massive resources, the greatest that any nation in the world has, its coal resources, its oil and gas resources, its nuclear power, and all of the other potential resources, so that by the time 1980 comes this Nation will be independent of any foreign country, and no other foreign country will ever be able to cut off our supply of energy.

And in the field of opportunity—opportunity for all Americans for education, for health, for all of those things that we cherish and love in this country—in this area our candidates will be able to point not only to a fine record in the past but also to a program for the future that every American can be proud of.

Now, if some of you who are somewhat discerning—as this audience, I am sure, is—politically, thinks of all this, you may say, “What does this sound like? Is this

just a repetition of a big Government program such as we have had placed before us by previous administrations?"

The answer is absolutely not, because it has these features: One, our programs, all of them, are ones that will not require new taxes. The tax burden on the American people is high enough.

Second, it is one that is based not on making Government bigger, but based on building, through and by private enterprise in the United States, because private enterprise is the way to develop our country.

And third, it is one that is based on the policy that we should move toward not a controlled economy, but a free economy, because a free economy is how we got where we are and the one on which we will build for the future.

And so in this domestic area, I would point out to you that our candidates can say that whether it is in health or education or transportation or energy or any of these areas that you want to mention, they can be proud to be for something. Yes, it is worth it; it is worth every penny that you put up to come to this dinner tonight and every bit of work that you will do for our candidates to work for such a program, because we need them. We need them to get the support that we don't have presently in the Congress for movement on all of these programs that I have laid out before you tonight.

And then there is one other area that I will discuss but briefly. I have touched upon it already in referring to the past, and that is in the area of continuing to build toward our goal of a lasting peace in the world.

We shall continue our negotiations to limit nuclear arms with the Soviet Union

and to reduce the burden of armaments for us, for them, for all nations, but it must be mutual.

We will continue our negotiations with the People's Republic of China, because one-fourth of the world's most able people live there and because for the United States not to have communication with that great center of power would be a potential disaster for us in the years ahead when they do become a powerful military force.

We will continue to strengthen our alliances with our friends in Europe, in Asia, and in Latin America. We will continue to build in the Mideast, as I have already told you, a permanent peace in an area which has known so little peace and so much tragedy on both sides over these past 25 years and even beyond that time.

But in order to continue those great purposes, it is essential that America be strong, and I refer to strength in three areas: First, military strength, not because we want to sound jingoistic, but because it has to be recognized that only the United States of America today in the free world has the military strength to keep the peace in the world, because that is the fact. Let us always be sure that the United States is never the second strongest nation in the world. That is why we are for that kind of strength.

And the second area is economic strength. We must not sap this economy with Government controls. We must continue to move toward a program not based on scarcity whether in any field, agriculture or any other, but based on abundance and production, based on a belief in private enterprise and encouragement of private enterprise, and a removal wherever possible of those Gov-

ernment restrictions that inhibit the development of the energies of the great people of the United States of America.

And third, we need strength in another area. It is more difficult to describe, but it is perhaps more important even than the other two, because America can be the strongest nation militarily and the richest nation economically, but if Americans lack this third area of strength, we will not be able to play the great role which we must play if a world of peace is to be built, and that is, we need strength of purpose. We need a sense of destiny. We need a recognition on the part of the people of this great country that we live at one of those great historic turning points in history in which this Nation of 200 million holds the fate of the whole world in its hands.

Overstatement, you say? Look at the world. Look at the free world. There is no other nation that can do it, and none that will. Look at the other parts of the world, and you will see what the proposition would be, in the event the United States bugged out in a sense of responsibilities in the world.

And so, a strong America militarily, economically, and strong in purpose, that is what we need, and that is what we stand for. But when I speak of that strong America, I realize that sometimes, particularly among our young people, that is not a very popular cause.

Haven't you often heard it said, "Wouldn't it be wonderful if the United States didn't have to carry these great burdens in the world? Wouldn't it be wonderful if we could turn away from these great budgets that we have to have in the military field and concentrate solely on building prosperity and health

and welfare here in the United States of America?" And my answer is, if the United States were alone in the world, that would be true. My answer is, if someone else could carry this burden, that would be true.

But my answer is that a prosperous United States and a United States with the best health and welfare and transportation programs in the world is not going to mean anything unless we have peace in the world, and for that reason we must recognize that this is not a burden to be borne and borne simply by crying out against it, but it is a challenge and an opportunity to be met, because now I come to something that will inspire young people and older Americans as well, I hope, and it is this:

We are a great people, but a people, history tells us, can only be great when it is engaged in a great enterprise; a people can only be great when it is engaged in an enterprise greater than itself.

That was true of America from the beginning. American statesmen from the time of our beginning spoke of America meaning something, not just to America but to the whole world. It was not quite true then, but it is totally true today.

And so, today the peace of the world is in our hands. Whether America furnishes the leadership, whether we maintain the strength militarily, economically, in a purpose, that is in our hands. And that is what your cause is.

And I say to you, my friends, tonight that is a great cause. I say to you that as you have come to this dinner and, I trust, enjoyed the program, and as you will be watching these candidates, remember, there is more work to do, there is more money to be raised. But it isn't simply

because we want to win—yes, we want to win—it is because America needs the kind of leadership that these candidates across the country—those who are running for reelection and the new candidates—the kind of leadership that they can provide.

And it is because that at this particular time in our history, America has a great goal, a great goal at home which I have described, but an even greater goal abroad in which we, in America, what we do—just think of it—will determine the fate of 3 billion people on this Earth for the balance of this century and maybe thereafter.

My friends, that is America's destiny. That is why we are here. That is what we are going to be working for, and I can tell you, with the help of the candidates that you are going to help to elect and with your support over these next 3 years, we are going to achieve these great goals for America and the world.

NOTE: The President spoke at 9:53 p.m. in the International Ballroom of the Washington Hilton Hotel. The dinner was cosponsored by the Republican National Committee, the Republican Senatorial Campaign Committee, and the National Republican Congressional Committee.

91 Message to the Senate Transmitting the United States-Romanian Convention With Respect to Taxes on Income. *March 28, 1974*

To the Senate of the United States:

I transmit herewith, for Senate advice and consent to ratification, the Convention between the Government of the United States of America and the Government of the Socialist Republic of Romania with Respect to Taxes on Income, signed at Washington on December 4, 1973.

The Convention was signed during the visit to the United States of the Romanian President, Nicolae Ceaușescu. It is evidence of the continued improvement and expansion of United States-Romanian relations.

The primary purpose of this Conven-

tion is to promote economic and cultural relations between the two countries by removing many tax barriers. The convention follows generally the form and content of conventions recently concluded between this government and Western European countries.

I hope that the Senate will act favorably on this Convention at an early date.

RICHARD NIXON

The White House,

March 28, 1974.

NOTE: The text of the convention and accompanying papers are printed in Senate Executive B (93d Cong., 2d sess.).

92 Letter to the Speaker of the House of Representatives
Reporting on Increased Tariffs on Imports of Ball
Bearings. *March 29, 1974*

Dear Mr. Speaker:

On July 30, 1973, the Tariff Commission reported to me the results of its investigation under section 301(b)(1) of the Trade Expansion Act of 1962 (TEA) on Antifriction Balls and Ball Bearings, Including Ball Bearings with Integral Shafts, and Parts Thereof. The Commission made an affirmative determination with regard to serious injury from increased imports of certain ball bearings entering the United States under two tariff items and found that the present rates of duty on such bearings should be doubled.

While I concur with the Tariff Commission that an increase in tariffs is warranted, I have determined after a comprehensive review of all aspects of this case, that in certain regards the remedy found by the Commission is not adequate while in other regards, it goes beyond the relief required to maintain a sound domestic industry. Accordingly, I have today proclaimed increases in the rate of duty on imports of certain radial ball bearings, these increases only to be applicable when such bearings enter the United States at values per unit which are injurious to the U.S. industry. For the bulk of the trade covered, these increases are greater than proposed by the Tariff Commission.

U.S. producers' shipments of bearings in the tariff categories receiving relief under my proclamation accounted for about three-quarters of the industry's aggregate 1973 shipments of bearings covered by the Commission's affirmative finding. In

the case of three categories of bearings on which the Tariff Commission proposed an increase in the rate of duty, I have determined that the present statutory criteria for serious injury or threat thereof are not satisfied and that relief therefore would not be justified.

In addition to higher tariff protection, I consider that adjustment assistance offers a useful means for strengthening the competitive position of some domestic producers and for helping those workers who have suffered unemployment. My proclamation, therefore, provides that firms and workers in the domestic industry may request certifications of eligibility to apply for adjustment assistance.

It is my considered judgment that the remedies I have provided will amply meet the needs of the industry and its workers and will better serve the national interest than other alternative measures. However, if developments presently unforeseen should prevent the satisfactory adjustment of the industry to meet import competition under the tariff rates just proclaimed, the case can be reopened, with a new investigation instituted by the Tariff Commission any time after July 30, i.e. one year after the original Tariff Commission report.

This report is submitted pursuant to the requirements of section 351(a)(2) of the Trade Expansion Act of 1962.

Sincerely,

RICHARD NIXON

[The Honorable Carl Albert, Speaker of the House of Representatives, Washington, D.C. 20515]

NOTE: On the same day, the President signed Proclamation 4279, modifying trade agree-

ment concessions and adjustment of duty on certain ball bearings.

93 Remarks at Ceremonies Commemorating Vietnam Veterans Day. *March 29, 1974*

Admiral Bayne, Secretary Schlesinger, Mr. Ambassador, and all of our distinguished guests:

Just one year ago, the last American combat serviceman returned to the United States from Vietnam, and America's longest war came to an end. It is very appropriate on this day, then, that we honor those 2½ million men who served in Vietnam, that we pay tribute to those who sacrificed their lives, and that we renew our commitment to obtain a full accounting for all of those who are still missing in action.

To those who have served, I can imagine that sometimes they are discouraged as they read and hear the postmortems on this very long and very difficult war. But the verdict of history, I am sure, will be quite different from the instant analysis that we presently see and sometimes hear.

Those who served may be discouraged because it seems sometimes that more attention is directed to those who deserted America than those who chose to serve America. They may be discouraged because they read and hear that America becoming involved in Vietnam was wrong, that America's conduct in Vietnam was wrong, that the way we ended the war was wrong.

I would say to all of those who served and to all of my fellow Americans that not only was it not wrong but I think it is well for us to put in perspective on this day why we went there, what we accomplished, and what would have happened

had these men not served their country as bravely and as courageously as they did in these difficult times.

We see one result in the fact that 17 million people in South Vietnam, the Republic of Vietnam, are now governing themselves and able to defend themselves. We went to Vietnam not to destroy freedom, but to defend it. We went to Vietnam not as an aggressor, but to stop aggression. And history will record that the American effort in Vietnam was a good cause, honorably undertaken and honorably ended.

We can see what that means if we evaluate what would have happened had we followed the advice of those who said, "Bug out, regardless of what happens to the people of Vietnam and what happens to America's standing in the world." Because if we failed in our commitment, our allies would have lost confidence in us throughout the world, not just in Asia, the neutrals would have lost respect for America, and those who might be tempted to engage in aggression would have been encouraged to embark on that aggression not only in Asia but in other parts of the world.

But because we saw this long and difficult conflict through to an honorable conclusion, respect for America was maintained, and the possibility that America can meet its great destiny, the destiny that is seldom given to a people, to build a peace not only for itself but for the whole world—that possibility has been

strengthened. On this occasion then, the highest tribute we can pay to those who served, and particularly to those who died, is to go forward in building a world of peace for ourselves and for all people. And in order for that to be accomplished, it is essential that America be strong. That means, first, strong militarily.

The cost is high. But as President Eisenhower once said in thinking of that cost, "While the cost of peace may be high, the cost of war is far higher and it is paid in a different coin, the lives of our young men and the destruction of our cities."

And so, we need to maintain a militarily strong America, an economically strong America, but most important, we need to maintain an America that is strong in its character and in its spirit and its sense of destiny and its sense of purpose in this great period in our history and in the world's history.

And that is the most significant contribution that has been made by those who served in Vietnam, because when it was not easy, when there seemed to be so little support at home, they saw it through. And because they saw it through, because they did not quit, we were able to negotiate an honorable end to the war at the conference table, which would not have been possible had they not served with distinction and courage to the end on the battlefield.

So today, we look forward to the future, thinking of how we can repay the debt to these men who have served and those who have given their lives, and the way we repay that debt is to go forward in building a structure of peace in the world.

We are doing that, negotiating with those who have been our adversaries in the past, building a new structure of peace in

areas like the Mideast, strengthening our ties with our allies all over the world.

But none of this could be accomplished, none of it, unless America were respected. And America is respected, respected because we kept our commitment to a small nation far away when it would have been so easy not to do so.

And so, on this occasion I would say to my fellow Americans as we pay tribute to those who served in Vietnam, let us look to the future with confidence, with hope, and with determination and dedication that we, this generation of Americans, will be remembered because we not only ended a war and ended it honorably and fought it honorably but because we went on from there to build a structure of peace in the world that will last.

We can do that, and we will do it. We will do it by being strong militarily and strong economically. But we will do it, even more importantly, because we will demonstrate the spirit that the men who served in Vietnam demonstrated so courageously over those 12 long, difficult years. And with that spirit, America will meet the great destiny that is ours to build for the whole world: not only a generation of peace for us but for all people, not only a generation of peace but perhaps, we would hope, peace for many more generations to come.

Let our goal be, the sons of those who fought in Vietnam can look back with pride to what their fathers did and that they will not have to be engaged in a war in the future. That is our goal, and that is why, here at this historic Fort McNair, I pay tribute with all Americans, not just to what we call the Armed Forces but to what are truly the peace forces of the world.

We can be thankful that America produced such men, and we can be thankful that in the future these men, their courage, their continued service, will make it possible for us to achieve the goal that all Americans are dedicated to, peace for ourselves and for all mankind.

NOTE: The President spoke at 12:31 p.m. at a special joint service review on the parade grounds at the National War College at Fort Lesley J. McNair.

In his opening words, the President referred to Vice Adm. M. G. Bayne, USN, Commandant of the National War College, and Tran Kim Phuong, Ambassador to the United States from the Republic of Vietnam.

94 Message Following Successful Flight of Mariner 10. *March 29, 1974*

THE SUCCESSFUL flight of Mariner 10 to the planet Mercury marks another historic milestone in America's continuing exploration of the solar system. With this mission we will begin to end centuries of speculation about our planetary neighbor closest to the Sun.

On behalf of all Americans, I extend warmest congratulations to NASA and the Mariner 10 team on their outstanding performance. The hard work, skill, and ingenuity that contributed to the success of Mariner 10 is in keeping with that historical tradition which began

when men landed at Plymouth Rock and has continued through the landing of men on the Moon.

NOTE: The message was sent to James C. Fletcher, Administrator of the National Aeronautics and Space Administration.

The Mariner 10 spacecraft photographed the planet Mercury and collected data on its environment and atmosphere, surface, and body characteristics as part of a long-range goal of investigating that planet and the planet Venus. Launched in November of 1973, Mariner 10 passed within 436 miles of Mercury on March 29, 1974.

The text of the message was released at Key Biscayne, Fla.

95 Statement About Proposed Reductions in Appropriations for Welfare Programs. *March 30, 1974*

DUE IN PART to the first major drop in the Nation's welfare rolls in a number of years, I am pleased to announce today that I am asking the Congress to cut almost \$800 million in appropriations for welfare programs during the current fiscal year.

This reduction in costs to the taxpayer can be made without in any way reducing welfare benefits to eligible recipients.

In recent years, Americans have had to live with a continuing upward spiral

in both the size of the welfare rolls and the cost of the welfare programs. The tale has been a tragic one, and because the welfare system is marred with inequities, it has also been an outrageous one to both recipients and taxpayers.

HEW Secretary Weinberger has now reported to me encouraging evidence that we are beginning to make some progress in solving the welfare mess. As of the end of December 1973, there were still 10.8 million people receiving assistance under

the program for Aid to Families with Dependent Children (AFDC), but that was a net reduction of 255,000 people below the rolls at the end of 1972. As Secretary Weinberger reported to me at last Thursday's Cabinet meeting, we are starting at last to turn back the ever-increasing welfare rolls which had become a tragic way of life for far too many Americans.

A very significant factor in the reduction in the welfare rolls was the improvement in the management of the AFDC program.

My last two budgets have contained plans and proposals for management improvements. Among the actions we have taken are the establishment of quality control programs as part of a cooperative Federal-State effort. This effort soon revealed that the problem was larger than originally thought; errors in eligibility and payment levels were found in 41 percent

of the cases. This discovery of the magnitude of error helped to spur administrative improvements by Federal, State, and local officials alike.

In my last two budget requests, we anticipated some savings from improved management. The further reductions of some \$800 million I am proposing today are in addition to those we had previously anticipated.

While encouraging, this improvement in the welfare picture in no way eliminates the great necessity for a replacement of the Nation's welfare programs with a more equitable and efficient system. Secretary Weinberger is now in the midst of his study of possible legislative proposals, and I expect to receive his recommendations later this year. Soon thereafter, I will submit a legislative proposal to the Congress.

NOTE: The statement was released at Key Biscayne, Fla.

96 Radio Address About Veterans Affairs.

March 31, 1974

Good afternoon:

This past Friday marked an important anniversary for the United States. On that day one year ago—March 29, 1973—the last American combat soldier left Vietnam, and a long and painful chapter in our history was brought to an honorable conclusion.

On Friday, we again gave thanks for that peace and paid homage to those whose sacrifices had helped to win it by celebrating Vietnam Veterans Day.

But ceremony and public praise, standing alone, are not enough. Nearly 7 million men and women served America during that war—2½ million of them in Vietnam itself. We owe to them an op-

portunity to enjoy not only our public blessings but also the real benefits of peace—the education, the jobs, the housing, the medical care, the many other advantages that make America a great nation.

We owe it to them all the more, because giving so much, they ask so little in return. The greatest gift our country gives to all of us is freedom. But freedom to be fully enjoyed must be accompanied by opportunity, the chance to play a full role in the life of our Nation.

The veterans of the late 1960's and the early 1970's too often found that the barriers to a full life were higher when they came home than when they left. The lens

of the camera and the pen of the journalist had focused so often on those who had deserted America that those who bravely served were sometimes forgotten.

In early 1971, thanks to the success of our Vietnamization program, 1 million G.I.'s came home to enter the civilian labor force. However, more than 350,000 of these returning servicemen found themselves unemployed. To meet this challenge, I launched a six-point program in June of 1971 to help returning veterans find training and jobs. By January of 1973, the unemployment rate for Vietnam-era veterans had dropped from 8.1 percent to 5.4 percent, and at the end of February 1974, it stood at 5 percent, which is just below the national average.

Now, this progress is a credit to the Federal agencies that have mobilized job programs and, more especially, to two private groups, the Jobs for Veterans Committee and the National Alliance of Businessmen. With the help of the Government and public-spirited businessmen, more than 2.2 million veterans of the Vietnam era have been placed in jobs in the last 2½ years.

There has also been progress on other fronts. Nearly 3 million veterans of the Vietnam era have financed their educations under the G.I. bill since 1969. Education allowances have been increased by 70 percent during this same period. The number of veterans assisted through guaranteed mortgage loans has increased by 46 percent. The Veterans Administration, which operates the largest civilian medical care system in the world, is now undertaking the biggest hospital construction program in its history.

We have added over 25,000 medical personnel to the staffs of the veterans hos-

pitals, and we are seeking to increase spending for veterans benefits and services to \$13.6 billion during the coming fiscal year. That is an increase of more than 75 percent over the expenditures when I took office.

And yet, we must all recognize that the Vietnam-era veteran needs far more help than we are providing. Despite the progress of the veterans in finding jobs, there has been a slight upturn in their unemployment over the last 3 months. There are no doubt several causes—among them the problems relating to energy—but the causes are not what matters. What matters is this: The men who fought on the battlelines in Vietnam must not come back to job lines in America. We must redouble our efforts to help these young men and women find jobs.

Vietnam-era veterans are also faced with staggering increases in the cost of higher education. That is why I have proposed that we increase their education benefits by an additional 8 percent to help them overcome the forces of inflation. This would raise the payments to a single veteran with no dependents to \$240 a month, tax-free.

While there are continuing improvements in the quality of medical care in our veterans hospitals, we must also continue our efforts to ensure that all patients receive full treatment and that the most efficient use is made of their excellent facilities. We should spend whatever money is necessary so that the quality of care in these hospitals will be second to none. To investigate the quality of that care, I have directed the Administrator of Veterans Affairs to conduct a thorough investigation of the conditions of our veterans hospitals and clinics, including a

personal tour of some of those facilities. He is to report to me directly within 60 days.

Some of you may recall that in a recent White House press conference, one of the most spirited reporters in Washington, Sarah McClendon of Texas, asked me why some veterans studying under the G.I. bill were not receiving their Government checks or were receiving them long after they were due.

That was a good question, and the next day I asked the Veterans Administration for an answer. I discovered that each month during the school year the Veterans Administration mails out over 1 million checks. Unfortunately, from time to time a fraction of them are delayed or misdirected. Students move to new addresses, computer printouts are slow, the paperwork is detailed.

The reasons for the occasional delays are generally understandable, but they are of very little consolation to the young men and women whose studies and family budgets are disrupted as a result. We owe it to our veterans to be absolutely sure that we are doing the best job possible for them.

And due in large part to Miss McClendon and others who have brought problems to our attention, the Veterans Administration is now engaged in a major effort to improve their operations. To make still further improvements, I have directed the Administrator of Veterans Affairs and the Director of the Office of Management and Budget to set up a crack management team which will take a hard look at the services provided by the VA across the board.

Veterans need to know if we can find a better way of delivering checks on time. They need to know if there is a better

way of obtaining medical services. They need to know if there is a better way to find training and jobs.

Those are the kinds of questions I want answered from this new look at veterans affairs, and I am asking for those answers within 8 weeks.

Beyond that, we need to develop a more effective and coordinated approach to veterans affairs on a permanent basis. The health and welfare of our veterans is one of the biggest concerns of the Federal Government.

The Veterans Administration is the second largest agency in the Government. It has the third largest budget. There are additional veterans programs in 17 other departments. The Labor Department, for instance, helps veterans with their training and employment needs. ACTION, the agency for volunteer action, has just launched a cooperative program with the Veterans Administration to reach Vietnam-era veterans in communities where they live, to encourage them to take advantage of their G.I. benefits.

To ensure that we have policies which pull together the activities of the entire Government and more fully meet the needs of the veterans, I am today creating a new Domestic Council Committee on Veterans Services. It will be chaired by the Administrator of Veterans Affairs, Mr. Donald Johnson. Its membership will include four members of the Cabinet and others.

I personally urge today that all veterans take advantage of the full range of benefits that are now available in this country. Nothing would please me more than to recommend more money for these programs as more veterans participate.

Each of you listening to me can help, too. You can help by employing the vet-

eran. We trusted them with our country's honor in Vietnam. They met the test. Now we can trust them in our industries and places of business here at home.

At the close of America's tragic Civil War, Abraham Lincoln described the duty which all of us share as citizens. In his eloquent Second Inaugural Address, he said:

" . . . let us strive on to finish the work we are in; to bind up the nation's wounds; to care for him who shall have borne the battle, and for his widow, and [his] orphan—to do all which may achieve and cherish a just and lasting peace among ourselves, and with all nations."

Today, a year after the end of another long and bitter war—and only 27 months before America's 200th anniversary—let us rededicate ourselves to that goal by paying respect to the men and women who served America at a difficult time. Let us

make sure that a grateful Nation remembers them in deeds as well as in words.

Thank you and good afternoon.

NOTE: The President spoke at 1:06 p.m. from his home in Key Biscayne, Fla. The address was broadcast live on nationwide radio. On the same day, the White House released an advance text of the President's address.

On April 4, 1974, the President opened the first meeting of the Domestic Council Committee on Veterans Services in the Cabinet Room at the White House. Present at the meeting with the President and Mr. Johnson were: Peter J. Brennan, Secretary of Labor; Caspar W. Weinberger, Secretary of Health, Education, and Welfare; Roy L. Ash, Director of the Office of Management and Budget; Kenneth R. Cole, Jr., Assistant to the President for Domestic Affairs and Executive Director of the Domestic Council; Michael P. Balzano, Jr., Director of ACTION; and William P. Clements, Jr., Deputy Secretary of Defense (representing the Secretary of Defense). Later the same day, the White House released the transcript of a news briefing by Mr. Johnson on the meeting.

97 Message to the Congress Transmitting the Cost of Living Council's Quarterly Report on the Economic Stabilization Program. *April 2, 1974*

To the Congress of the United States:

I herewith transmit to the Congress, in accordance with section 216 of the Economic Stabilization Act of 1970, as amended, the most recent quarterly report of the Economic Stabilization Program, covering the period October 1, 1973 through December 31, 1973.

The fourth quarter of 1973 was a period of continued although slower growth for the American economy. Our gross national product grew to \$1,338 billion, an increase of \$33 billion over the previous quarter. Employment increased by approximately one million workers to 85.7

million. The American dollar continued to regain strength abroad.

During the fourth quarter, inflation remained our most serious economic problem. Prices here and abroad continued to rise at an unacceptably rapid pace, due in large part to the worldwide shortages of many raw materials. The pattern of price increases also began to reflect the impact of the Arab oil embargo against the United States and higher world prices for oil.

By the beginning of the fourth quarter, the fourth phase of the Economic Stabilization Program had been fully underway.

The increases anticipated after the summer freeze on prices were spread out over time with the help of the Phase IV regulatory mechanism.

Phase IV was also designed to provide an effective system of tight standards and compliance procedures that would lead to a gradual return of industry and labor to the free market. Throughout the fourth quarter, decontrol proceedings demonstrated that the public and private sectors of our economy can work cooperatively and effectively to meet common goals of price restraint. As part of the commitments under which they were removed from mandatory controls, many firms have pledged voluntary price control. More importantly for the future, many have stepped-up their capital expenditure plans to enlarge supplies—the only really effective way to halt inflation.

We are firm in our commitment to

meet the challenge of inflation. The energy shortage and the problems resulting from it have significantly added to this challenge. We can, however, look with satisfaction to the efforts and sacrifices our Nation has made in response to these problems.

The Congress is presently debating the Administration's recommendation for continued stabilization authority and this Administration stands ready to work with the Congress to develop effective machinery for economic stabilization.

RICHARD NIXON

The White House,

April 2, 1974.

NOTE: The report, covering the period from October 1 through December 31, 1973, is entitled "Economic Stabilization Program Quarterly Report" (Government Printing Office, 173 pp.).

98 Statement on the Death of President Georges Pompidou of France. *April 2, 1974*

IN THE death of President Georges Pompidou, France has lost one of her great leaders, and the world has lost a great statesman.

My profound personal regret is deepened by the fact that President Pompidou's first official visit upon acceding to office was to the United States. On that occasion and in my other meetings with him, I found him to be a man of vision, constraint, consistency, and enormous strength of character. He came from the Auvergne, the heart of France, and he reflected all the spirit and strength of

the French people.

It was characteristic of his courage that despite his illness, he did not falter in his service to his people, nor to the purposes of world peace.

The people of America join me in extending our deepest sympathy to the people of France.

NOTE: President Pompidou, 62, was President of France from 1969 until his death in Paris.

On April 3, 1974, the White House announced that the President had sent messages of condolence to Madam Pompidou and Alain Poher, President of the French Senate.

99 Remarks on Signing a Proclamation Designating April as Cancer Control Month. *April 3, 1974*

Ladies and gentlemen:

We have here in this room today the members of the President's committee on cancer control. We also have some very distinguished guests from the Soviet Union, five doctors who are here working with us on cooperative activities under the program that was set up at the first summit in Moscow 2 years ago.

For purposes of the signing ceremony, the signing of this annual proclamation designating April as Cancer Control Month, I am going to use an extra number of pens—I am using five—because I thought each of our Soviet guests might like one of the pens. As far as our American guests are concerned, you will get duplicate pens, and if somebody asks you, you might say, "Well, I think he used it, too."

I will now sign the proclamation and then have another word to say.

[At this point, the President signed Proclamation 4281 and then resumed speaking.]

Mr. Schmidt will brief the press, and the panel of experts will answer any questions that you have.

One of the most important developments that has occurred has been that while the Federal Government's activities here, as you know, have gone up substantially from approximately \$200 million 4 or 5 years ago to \$600 million this year, the fears that some had that as the Government interest in and Government appropriations for cancer research increased, the great voluntary effort that we have known for so many years in this country would decrease. Those fears have proved unfounded.

I was delighted to learn, for example, that the American Cancer Society last year raised \$93 million in their drive, which is taking place during the month of April. Incidentally, my daughter Julie is in Indianapolis, speaking at their dinner of the American Cancer Society, which is part of this drive today indicating the interest that so many of us have in this particular project. But the American Cancer Society has set as its goal this year over \$100 million—may raise as much as \$150 million—so it shows that even though the Federal Government is taking a lead role, and a very big role, in providing funds, that we have going parallel with that an enormous private, voluntary effort which is characteristic of the American approach to a problem which concerns so many of our people.

I have been encouraged by the report that I have received. I am not going to give it to you myself, because there are some technical features that I would not be able to answer questions on. But progress has been made.

I have often said that from my own discussions with these experts from time to time, I have concluded that there is probably never going to be found a cure to cancer as such, as there was for polio, a vaccine, or as there was for tuberculosis, where it was found there could be a cure, because there are many different kinds of cancer, and what will work in one case will not work in another. And all of the experts agree that that is why we need a many-pronged offensive, in the research area, in the medical field, and so on around.

Also, I would conclude simply by saying

that whatever the United States learns in this massive program, we are very happy to transmit, not only to our own people, that information, but to all the people of the world. And that is why we think this fact that our Soviet friends are here today, their experts in the field, is indeed a very hopeful development, because the genius that may find one or several of the cures for cancer—we do not know where it is. It may be in the United States, it may be in the Soviet Union, it may be in an African or Asian or Latin American or European country, but wherever it is, we must discover it. And here we see an example of the best people that we can find in the United States working with outstanding leaders in the Soviet Union, working together toward finding a cure to a disease that afflicts all mankind in, as we know, a very disastrous way.

So with that, we have been pleased with the progress that has been made. We have a good prognosis with regard to progress that may be made in the future, and the experts will brief you on some of the items that have been made.

One last point that I should make, and that is this: This annual proclamation generally serves to stimulate contributions by people to the American Cancer Society and other groups, and I hope that this proclamation will do that. I hope also it will stimulate among the American people, all the American people, a determination to have an examination each year, because all of the experts tell me that there is no single step that we could take that could be more effective in arresting cancer—because it can be cured in many

cases when it is discovered early—there is no single step that could be taken than to see to it that examinations are taken by people each year and that early treatment is then provided for them and the best treatment possible.

Thank you very much.

I have had my examination. How many of you have?

I wish you all very well.

N. N. TRAPEZNIKOV [Deputy Director, Institute of Experimental and Clinical Oncology]. Thank you.

THE PRESIDENT. I am looking forward to seeing your leadership when I go to Moscow this summer.

PROFESSOR TRAPEZNIKOV. You are welcome in Moscow.

THE PRESIDENT. Right. I remember when Mr. Brezhnev and I had a long talk about this, both there and in San Clemente, and he, as well as all of your leadership, has a great interest in this problem. We think that working together, we will be as successful as allies in the war against cancer as we were successful as allies in a war many years ago. That is what we want.

PROFESSOR TRAPEZNIKOV. Thank you.

THE PRESIDENT. Thank you.

NOTE: The President spoke at 12:16 p.m. in the Cabinet Room at the White House.

Prior to the signing ceremony, Chairman Benno C. Schmidt and members of the President's Cancer Panel met with the President to discuss progress achieved in the national cancer program. Later the same day, the White House released a fact sheet and the transcript of a news briefing on the cancer program by Mr. Schmidt.

100 White House Statement About the President's Income Tax Returns. *April 3, 1974*

WE HAVE LEARNED of the decision by the Joint Committee on Internal Revenue Taxation to release a staff analysis of the President's taxes before the committee itself has had opportunity to evaluate the staff views, and before the President's tax counsel could advise the committee of their views on the many legal matters in dispute in that report.

Yesterday, the President received a statement from the Internal Revenue Service indicating its view, also, that he should pay an additional tax.

The President's tax counsel have advised him that the positions they have sought to present to the committee, as outlined in their brief, are valid and compelling. His intent to give the papers was clear. Their delivery was accomplished in March 1969, 4 months before the July deadline. His intent as to the amount of the gift was stated to his counsel. Because of these facts, the President's tax counsel strongly affirm that those various issues could be sharply and properly contested in court proceedings such as are open to an ordinary taxpayer to review the decisions of the Internal Revenue Service.

The President believes that his tax counsel can make a very strong case against the major conclusions set forth in

the committee's staff report. However, at the time the President voluntarily requested the committee to conduct its examination of his tax returns, he stated that he would abide by the committee's judgment. In view of the fact that the staff report indicates that the proper amount to be paid must be determined by the Internal Revenue Service, he has today instructed payment of the \$432,787.13 set forth by the Internal Revenue Service, plus interest.

It should be noted that the report by the Internal Revenue Service rebuts any suggestion of fraud on the part of the President. The committee's staff report offers no facts which would support any such charge.

Any errors which may have been made in the preparation of the President's returns were made by those to whom he delegated the responsibility for preparing his returns and were made without his knowledge and without his approval.

NOTE: On April 15, 1974, the White House released an announcement which surveyed public response to the President's position regarding his income tax returns. The announcement, released at Key Biscayne, Fla., is printed in the Weekly Compilation of Presidential Documents (vol. 10, p. 411).

101 Message to the Congress Transmitting Annual Reports of Six River Basin Commissions. *April 4, 1974*

To the Congress of the United States:

I am happy to transmit herewith the annual reports of the six river basin commissions, as required under section 204

(2) of the Water Resources Planning Act of 1965.

The act states that commissions may be established, comprised of State and Fed-

eral members, at the request of the Governors of the States within the proposed commission area. Each commission is responsible for planning the best use of water and related land resources in its area and for recommending priorities for implementation of such planning. The commissions, through efforts to increase public participation in the decisionmaking process, can and do provide a forum for all the people within the commission area to voice their ideas, concerns, and suggestions.

The commissions submitting reports are New England, Great Lakes, Pacific Northwest, Ohio River, Missouri River, and the Upper Mississippi. The territory these six commissions cover includes all or part of 32 States.

The enclosed annual reports indicate the activities and accomplishments of the

commissions during fiscal year 1973. A brief description of current and potential problems, studies, and approaches to solutions are included in the reports.

RICHARD NIXON

The White House,
April 4, 1974.

NOTE: The six reports are entitled:

New England River Basins Commission:
1973 Annual Report (36 pp.).

Great Lakes Basin Commission: Annual Report—Fiscal Year Ending June 30, 1973 (12 pp.).

Pacific Northwest River Basins Commission:
Annual Report—Fiscal Year 1973 (19 pp.).

Ohio River Basin Commission: 1973 Annual Report (20 pp.).

Missouri River Basin Commission: 1973 Annual Report (20 pp.).

Upper Mississippi River Basin Commission,
annual report (12 pp.).

102 Remarks on Arrival at Paris To Attend Memorial Services for President Georges Pompidou. *April 5, 1974*

Mr. Foreign Minister, all of the distinguished ladies and gentlemen who are present on this occasion:

I have come from Washington today to Paris to bring from all of the American people the heartfelt sympathy to the people of France on the occasion of the loss of a great leader. It was just 5 [3] years ago that I stood in this place when I attended the ceremonies on the occasion of the death of General de Gaulle. And at that time, I recall there were many in the world who wondered if there was one who could follow a man who was truly one of the great statesmen of the 20th century.

France found such a man—President Pompidou. I have had the privilege to work with him, to know him for these

past 5 years. He was a man of extraordinary intelligence, of superb devotion and dedication to duty, and above all, of indomitable courage. And never was that courage displayed more than during the last months of his life.

I met him in Iceland about 10 months ago. I knew then, or felt then, although he did not tell me, that he was nearing the end of his life. But his last months were a period of true greatness, because despite the adversity, he rose above it and served to the last with all of the courage and all the distinction that had been the mark of his life of service to his country.

President Pompidou came from the heart of France, and I bring from the hearts of all Americans our deepest sym-

pathy to Madam Pompidou, his family, and to his countrymen on the occasion of their very great loss.

NOTE: The President spoke at 10:36 p.m. at Orly Airport, where he was welcomed by French Minister of Foreign Affairs Michel Jobert. Accompanying the President as members of the official U.S. delegation to the memorial services were John N. Irwin II, United States Ambassador to France; Alexander M. Haig, Jr., Assistant to the President; and Maj. Gen. Brent Scowcroft, Assistant to the President for National Security Affairs.

On April 6, 1974, the President attended the

memorial services for President Pompidou at Notre Dame Cathedral. After the services, he met with Alain Poher, who was interim President of France, at the Elysée Palace, and he later attended a French Government reception at the Foreign Ministry for foreign leaders in Paris for the memorial services.

Throughout the day, the President met separately at the United States Ambassador's residence with President Giovanni Leone of Italy, Prime Minister Harold Wilson of the United Kingdom, Chancellor Willy Brandt of the Federal Republic of Germany, and Prime Minister Pol Hartling of Denmark.

103 Informal Remarks on Departure From Paris.

April 7, 1974

Au revoir. I will come again.

A very warm goodby and a beautiful day, but we had a very good visit with our friends from France. Of course, we couldn't go into many matters because of the occasion, but also, it was an opportunity to see many other people from around the world. But we always like to come to Paris.

I look forward to coming back some day when I have many hours as a tourist to try the restaurants again.

Forty years ago, I majored in French, had 4 years of French. After 4 years, I

could speak it, I could write it. I read all the classics. And today, I just understand a little.

BYSTANDER. When do you come back in France, Mr. President, again?

THE PRESIDENT. Any time I have a good excuse. I love it. Goodby. *Merci.*

NOTE: The President spoke at 11:48 a.m. outside the United States Ambassador's residence.

Earlier in the day, the President held a breakfast meeting at the residence with N. V. Podgorny, Chairman of the Supreme Soviet of the Union of Soviet Socialist Republics. He then met with Prime Minister Kakuei Tanaka of Japan.

104 Statement on Signing the Fair Labor Standards Amendments of 1974. *April 8, 1974*

I AM today signing S. 2747, the Fair Labor Standards Amendments of 1974.

Although I have some reservations about portions of this legislation, its basic purpose—to increase the minimum wage for working men and women of this country—deserves the support of all Americans.

The federally legislated minimum wage for most American workers has remained static for 6 years despite a number of increases in the cost of living. Raising the minimum wage is now a matter of justice that can no longer be fairly delayed.

This bill would raise the minimum wage for most workers from \$1.60 to \$2.00

next month, with a further increase to \$2.30 by January 1, 1976—a total increase of more than 40 percent. It would also extend the protection of Federal minimum wage and overtime requirements to 7.4 million additional workers.

Over the past several years, I have consistently supported responsible increases in minimum wage rates, to be phased in so that the very people such increases are intended to help do not find themselves suddenly priced out of the job market. I am pleased that the Congress has moved in this direction in S. 2747. Following the first increase next month, future increases will be spread out over a period of time and will therefore have less of an adverse effect on the job market for unskilled labor. They will also pose less of an inflationary threat to all Americans.

S. 2747 also extends coverage to include Federal, State, and local government employees, domestic workers, and others previously excluded from coverage. The Congress has reduced some of the economic and social disruptions this extension could cause by recognizing the unique requirements of police, fire, and correctional services. Similarly, within the Administration, we will do our utmost to administer the overlapping rules which will now apply to Federal overtime.

As I have stated before, acceptable minimum wage legislation should also contain a special youth differential to protect our young people, who continue to suffer a high rate of unemployment and face more limited work and training opportunities than adults. Although S. 2747 does change the tests for special minimum wage certificates for part-time work by

full-time students and permits pilot programs in selected areas for out-of-school youth, I regret that the Congress did not go as far as I wished in protecting both training and work opportunities for youth.

In addition, the extension of coverage creates some unemployment risks, especially for domestic workers, but these risks must be accepted in view of the other achievements of this bill.

On the whole then, S. 2747 contains more good than bad, and I have concluded that the best interests of the American people will be served by signing it into law.

The signing of this measure is also an appropriate occasion to commend Secretary Brennan for his efforts in working with Congress to ensure the enactment of legislation benefiting the working men and women of our Nation. This measure is the second major bill in recent months in which the Department of Labor has played an important role in the process of enactment and for which it assumes administrative responsibility. The first bill, the Comprehensive Employment and Training Act of 1973, is now being put into effect by the Department of Labor; I urge that the Congress move speedily in appropriating the necessary funds so that the worthy purposes of this act can be achieved promptly.

It is also my hope that the Congress will respond favorably to the Administration's proposals for improving the pension system and the unemployment insurance system of our Nation. Our proposals in both of these areas are important features of our labor market and economic policy.

NOTE: As enacted, S. 2747 is Public Law 93-259 (88 Stat. 55).

Secretary of Labor Peter J. Brennan was present as the President signed the bill in the Oval Office.

On the same day, the White House released a fact sheet on the Fair Labor Standards Amendments of 1974.

105 Message to the Congress Transmitting Annual Report on Aeronautics and Space Activities. April 8, 1974

To the Congress of the United States:

I am pleased to transmit this report on our Nation's progress in aeronautics and space activities during 1973.

This year has been particularly significant in that many past efforts to apply the benefits of space technology and information to the solution of problems on Earth are now coming to fruition. Experimental data from the manned Skylab station and the unmanned Earth Resources Technology Satellite are already being used operationally for resource discovery and management, environmental information, land use planning, and other applications.

Communications satellites have become one of the principal methods of international communication and are an important factor in meeting national defense needs. They will also add another dimension to our domestic telecommunications systems when the first of four authorized domestic satellite systems is launched in 1974. Similarly, weather satellites are now our chief source of synoptic global and local weather data. Efforts are continuing to develop capabilities for worldwide two-week weather forecasts by the beginning of the next decade. The use of satellites for efficient and safe routing of civilian and military ships and airplanes is being studied. Demonstration programs are now underway aimed at improving our health and education delivery systems using space-age techniques.

Skylab has given us new information on

the energy characteristics of our sun. This knowledge should help our understanding of thermo-nuclear processes and contribute to the future development of new energy sources. Knowledge of these processes may also help us understand the sun's effect on our planet.

Skylab has proven that man can effectively work and live in space for extended periods of time. Experiments in space manufacturing may also lead to new and improved materials for use on Earth.

Development of the reusable Space Shuttle progressed during 1973. The Shuttle will reduce the costs of space activity by providing an efficient, economical means of launching, servicing and retrieving space payloads. Recognizing the Shuttle's importance, the European Space Conference has agreed to construct a space laboratory—Spacelab—for use with the Shuttle.

Notable progress has also been made with the Soviet Union in preparing the Apollo-Soyuz Test Project scheduled for 1975. We are continuing to cooperate with other nations in space activities and sharing of scientific information. These efforts contribute to global peace and prosperity.

While we stress the use of current technology to solve current problems, we are employing unmanned spacecraft to stimulate further advances in technology and to obtain knowledge that can aid us in solving future problems. Pioneer 10 gave us our first closeup glimpse of Jupiter and

transmitted data which will enhance our knowledge of Jupiter, the solar system, and ultimately our own planet. The spacecraft took almost two years to make the trip. It has traveled over 94,000 miles per hour—faster than any other man-made object—and will become the first man-made object to leave our solar system and enter the distant reaches of space.

Advances in military aircraft technology contribute to our ability to defend our Nation. In civil aeronautics, the principal research efforts have been aimed at reducing congestion and producing quieter, safer, more economical and efficient aircraft which will conserve energy and have a minimum impact on our environment.

It is with considerable satisfaction that I submit this report of our ongoing efforts in space and aeronautics, efforts which help not only our own country but other nations and peoples as well. We are now beginning to harvest the benefits of our past hard work and investments, and we can anticipate new operational services based on aerospace technology to be made available for the public good in the years ahead on a routine basis.

RICHARD NIXON

The White House,

April 8, 1974.

NOTE: The President's message is printed in the report entitled "Aeronautics and Space Report of the President, 1973 Activities" (Government Printing Office, 131 pp.).

106 Remarks During an Inspection Tour of Tornado Damage in Ohio. *April 9, 1974*

[1.] XENIA (Greene County Courthouse, approximately 1 p.m.)

As I was saying to some people a little earlier, there are four basic problems here when you look at these disaster areas. One is housing, the second is schools, the third is food, and the fourth area, of course, involves the jobs which, we have seen, have been drastically affected by the fact that many of the industries here have been knocked out. But we are concentrating in all parts.

Q. What about the schools?

THE PRESIDENT. As far as the schools are concerned, we have got to help in two different ways. It takes time to rebuild the schools, so in the meantime, we have got to work with the States in providing methods of using the existing schools. It is going to cause some crowding, a lot of

other things, but they will be rebuilt and the funds will be provided.

We are also going to provide funds for the private schools. As you know, that has been one of the problems in previous disasters. While public education has been taken care of by the Federal Government and State government, there hasn't been any help for the private schools. But as you know, two private universities are damaged or partially damaged, and I have requested from the Congress authority to help them so they will be rebuilt as well.

Q. Have you seen anything like this before?

THE PRESIDENT. Something similar. As I look back over the disasters—I saw the earthquake in Anchorage in 1964; I saw the hurricanes, Hurricane Camille in 1969, down in Mississippi, and I saw Hur-

ricane Agnes in Wilkes-Barre, Pennsylvania—and it is hard to tell the difference among them all, but I would say that in terms of destruction, just total devastation, this is the worst I have seen.

It doesn't mean that the others didn't have great suffering. But for example, when you see an earthquake, and most of you haven't, in Anchorage, you walk along the street there, and you will find a great gap of 12, 15 feet and the houses all down in it, and that is a terrible thing to see.

But here you see total devastation in one area, and then other areas not touched at all, so I would say this is perhaps, when you look at it from the air, the most devastating disaster that I have seen.

As you know, it affects not only the State of Ohio. We have already had disaster declarations in six different States, and the Federal Government is moving in with every resource that we have.¹

Q. Mr. President, I am Robert Johnson, B Company—

THE PRESIDENT. Yes, how long will the Guard be here?

MR. JOHNSON. Yes.

THE PRESIDENT. We are checking that out with our people here. We will have you here only as long as you are needed, but I want to say that one of the things

we have been very proud of is the way the Guard has handled itself in all these other disasters.

Without the Guard coming in—and I know under very difficult circumstances because basically you are all volunteers—without your coming in and handling these things, we would have a much worse problem. We are very appreciative of what you have done. We will get you out just as soon as the job is done. Fair enough?

MR. JOHNSON. Fair enough, sir.

[2.] XENIA (Disaster Control Center, approximately 1:15 p.m.)

Certainly, this is the worst devastation I have seen in the many disasters I have had the opportunity or the responsibility to look at. But as far as the spirit is concerned, it is great.

I haven't found a person yet who said he was going to pick up stakes and get out. And it is really very heartening, very heartwarming, to see people who lost their homes and their schools are down, maybe their jobs aren't there, and they say, "We are going to tough it through, we are going to stick it out."

So, this town will come back, it will come back. I think it will come back and be stronger and better than it was before, and it was a very good town before. That would be my prediction.

I think it is somewhat, as I have said, like what happened to San Francisco at the turn of the century when they had the fire and the earthquake and everybody said it was finished. Well, now it is one of the most beautiful cities in the world.

I have noticed an interesting thing about Xenia, that there are a number of new subdivisions, beautiful homes, that have been built. They are all right. And

¹ On April 4, 1974, following a meeting with the President, Secretary of Housing and Urban Development James T. Lynn announced at a White House news briefing that the President had signed disaster declarations for Alabama, Indiana, Kentucky, Ohio, and Tennessee. Secretary Lynn's statement is printed in the Weekly Compilation of Presidential Documents (vol. 10, p. 386). An announcement of the President's signing of a disaster declaration for Georgia was released on April 5 and is printed in the Weekly Compilation of Presidential Documents (vol. 10, p. 387).

then I saw right next to them places that were knocked out. So, it demonstrated to me that this was a town, prior to the disaster, that people like to live in; otherwise, those subdivisions wouldn't have been selling.

It seems to me, therefore, that this is going to be an enormous opportunity for homebuilders, for people who have new businesses, et cetera, to come in here. They will have a good labor force. They will have a town with a high spirit in terms of local community pride, and it is that kind of people that, of course, have made this country what it is. It is that kind of people that will bring this town back.

Xenia has suffered physically, but it has not suffered spiritually. I think the more it has suffered physically, the stronger its spirit has become, and that speaks a lot for the people of Xenia.

Q. Mr. President, can anything be done to avoid the kind of redtape that the people in Wilkes-Barre had to go through?

THE PRESIDENT. That is one of the reasons we are here. As a matter of fact, as you know, we had our Secretary Lynn from HUD in here. We have had also the entire Federal Government when this thing occurred, I got them all in the office, and I said we are to do everything we possibly can to cut the redtape.

That is why we had this one-window concept we set up as a result of the Wilkes-Barre thing, where a person can come in, where if it is a job, if it is a small business loan, if it is a housing problem, if it is an education problem, there has got to be one place where he can come. That is the way we cut the redtape.

There will be complaints because, as you know, this is not just here, it is in six States. We have signed [declarations for]

six disaster areas, so Tom Dunne ² is going to have to be flying all over. But he has deputies in every one of these areas, and Secretary Lynn will have major responsibility from Washington in addition, and anything that requires Congressional action, you can be sure your Congressmen will be pushing it.

I am sure the Governor will be raising questions with Ken Cole of the Domestic Council, but the main point that should be made is, as far as the White House is concerned, the orders are out and everything is to be done throughout these disaster areas to deal with those four key problems.

You have to provide for the schools, you have to provide for the housing, you have to provide for, primarily, I would say, to the jobs; I mean, the rebuilding of the industries, both small and large, the farms and the rest, so that people can have the jobs they need.

Q. Mr. President, what other disaster areas have you seen?

THE PRESIDENT. None on this trip. I decided to come to Xenia because it was—I mean, it is hard to say that it is the worst, but it is an area where you have it all wrapped into one. You have the problem of both public and private schools being destroyed. You have the problem of housing. You have the problem, of course, of food, as a result of what has happened on the farms and the rest, and you have also the problem of jobs.

So, under these circumstances it seemed that coming here, I could get a view of what the problem was in this particular

² Thomas P. Dunne was Administrator of the Federal Disaster Assistance Administration, Department of Housing and Urban Development.

area and learn from that what we should do across the country in other areas.

I will be glad to go to other areas if a Presidential visit would be helpful, but the main purpose here is to come and see on the site what it is like. You know, you read about this, we saw it on television, I heard about it; I read about it, but until you walk along and have a chance to meet a few people, see what the spirit of the people is, what they want to do, you don't really know, first, what they have been through, and also you don't know the other factor, and that is that this town is not going to die, this town has the will to live.

It has a combat spirit. It is going to make it, and as long as it has got the spirit, then your Government is going to do everything it can to see that it isn't just spirit alone, that you have the money, the loans, everything else that is needed to be of assistance.

[3.] XENIA (Young Men's Christian Association Building, approximately 1:30 p.m.)

Q. Mr. President, these people need immediate help, sir, no redtape. What can you possibly tell them?

THE PRESIDENT. The reason that I am here is so the redtape will be cut through. We have had a lot of experience in handling disasters, as you know. We had Hurricane Camille in 1969, we had Hurricane Agnes in 1972, and now we have this disaster here.

As I pointed out, of all the disasters I have seen in terms of just total sheer devastation, visual devastation, this is the worst, even worse than an earthquake in Anchorage. That is the closest thing to it that I saw in 1964.

Now, what can we do? What we have

set up is what we call a one-window service. That is where you cut through the redtape.

The difficulty in the past is that you have about eight or ten Government programs and nobody knows where to go. So, we are setting up in each area one office where somebody can come in and he can find out about how he gets a small business loan, if he is trying to put his business on its feet; what he can do about mobile housing, if he is trying to do that; what he can do about education; what he can do about getting food, and all the rest.

But the problems, in a nutshell, in all disasters, are the same. You start with housing. People have got to have a place to live. And then you go on to food. People have got to have something to eat. And we are taking care of that with the help, of course, of volunteer agencies.

Then you go to education. You have got to have the schools rebuilt, and until they are rebuilt, we have got to have temporary facilities or have them transported to other schools in the area.

And finally, and probably most important in the long term, are jobs. That is why I am putting emphasis on the fact that every one of the companies in here, small and large, that were wiped out or damaged can get loans which will go beyond their insurance.

What I find is an interesting thing, not surprising. A small businessman told me that he employed 12 people and that his whole shop, which was an upholstery shop, was knocked out.

I said, "Well, how much did the insurance cover?" He said, "Only 50 percent." Well, you see, obviously he is going to need more money in order to get on his feet. And through our small business loans, we are going to provide additional funds for

not only the big guys who, of course, we want to provide for, because they provide all of those jobs, but for the hundreds of small businesses in this area.

This is a town that has a lot of small businesses. I realize that a lot of people that live here—it is a suburban town—you go in to work at NCR [National Cash Register] or one of the other companies in Dayton or Wright-Pat, but I like to see a town like this, 25–30,000, with a lot of small businesses moving up.

The other area I should mention is agriculture. I noticed that the farms have suffered a lot, but we are really expert on that because in Camille that was primarily a farming disaster down there in that Mississippi Delta area.

So we are in a good position. We have Government programs set up to help the farmers get what they need to get in production again for the spring crops.

Q. Mr. President, are you satisfied, at this point, what has been done up to this time?

THE PRESIDENT. No one is satisfied until everybody is housed and schools are rebuilt and food is provided.

I am satisfied that we have never had a better effort—more coordinated under the leadership of our Secretary of HUD, Mr. Lynn, and Mr. Tom Dunne, who is also working on it from the White House, we have never had a better effort.

And incidentally, we have had total support from the Congressmen. We are working in close coordination with the State government, with Governor Gilligan, and you have the total backing of the White House on it.

I think that considering the fact that this disaster struck so many areas that we are doing a very good job, but there will be, I can assure you, there will be a lot

of instances where people will say, “Well, why isn’t my school built tomorrow, why don’t I get a house right away, or a mobile house.”

Let me say we are going to try to break those bottlenecks as fast as we possibly can and get the help in, and I will issue some orders when I leave today that will, I think, cut through a little more of the redtape.

Q. Mr. President, how do you find the morale of the people?

THE PRESIDENT. Well, the most encouraging thing about coming to an area like this is, some lady said to me, “You know, you have really done a lot for my morale coming out here.” And I said to her, “You have done a lot for our morale,” because when we come and see people who have lost their homes or their jobs or their schools, and when we see these people and then see them smiling and saying, “We are going to stick it out,” you realize that that kind of spirit is the spirit that built this country and that is the kind of spirit that is going to rebuild this town. And I would predict—and I won’t say how long, within a matter of 2 or 3 years—you are going to find Xenia back on its feet, better than ever.

Some of the older buildings, it is too bad, I notice that one marvelous old building that Bud³ was telling me was built 100 years ago that was knocked out. Well, that is sad, but on the other hand, there will be a new hotel there, it will be better, and so it will be with the schools and everything else.

I think you are going to have newer and better schools and housing and also good jobs. And that will happen mainly because of the thing you have mentioned,

³ Representative Clarence J. Brown.

because the morale of the people of Xenia couldn't be higher. I am telling you, in any kind of competition I want them, certainly—I will bet on them.

Q. Thank you very much.

NOTE: On April 13, 1974, the President received a report on Federal assistance to disaster victims in the 10-State area hit by tornadoes. The report was submitted by James T. Lynn, Secretary of Housing and Urban Development, and Thomas P. Dunne, Federal Disaster Assistance Administrator.

107 Remarks on Departure From Wright-Patterson Air Force Base, Ohio. *April 9, 1974*

WELL, as you know, I have come here for the purpose of inspecting the tornado damage in the Xenia area. But I didn't want this opportunity to pass without again expressing appreciation to those who are stationed here at Wright-Patterson for your service to the Nation in the various capacities, both civilian and military, in which you are occupied.

I have just talked to Congressman [Clarence J.] Brown and asked him whether he thought this facility should be moved to Florida. [*Laughter*] He said we decided that a year and a half ago.

I can assure you that we have the greatest of confidence not only in this facility but also in its location, and when we think that aviation really began here, this must always be, as it is now, one of the great Air Force installations for the United States of America.

You have helped to make it great, and

we appreciate your service in this particular area.

I have often said, too, that in this period now when we are at peace with all nations in the world, in order to maintain that peace, we have to maintain the strength of America. And having just returned from Europe, where I met with the leaders of most of the nations of the world, I can tell you that America's strength militarily is respected—and we will maintain that strength—but also America's character is respected.

We are the leaders of the free world, and each of you, in your individual capacity in your service either on the military or the civilian side, you help to make America the nation that it is, able to play the great role of peacemaker in the world.

Thank you very much.

NOTE: The President spoke at 2:13 p.m. at Wright-Patterson Air Force Base, Dayton, Ohio.

108 Remarks During a Campaign Tour of Michigan's Eighth Congressional District. *April 10, 1974*

[1.] SAGINAW COUNTY (Tri-City Airport, 11:11 a.m.)

Governor Milliken, Senator Griffin, Congressman Cederberg, and Congressman-to-be Jim Sparling:

I am very delighted to be here in Cougar country. And having mentioned the [Bay City All-Saints High School] Cougars, I do want to thank all of those bands that are here from the MacArthur High School, the Eisenhower High School, the

Bay City High School. If I left any out, I will remember them next time.

I do know, too, that as Senator Griffin reminded me, that this is the fourth time, actually, that I have been here in the Tri-City area. I was here in 1960, but more recently in 1968, and then in 1972, and now finally in 1974. And as I see so many young people here, the thought that crosses my mind with regard to this visit is this: I think that we can all be very thankful today that for the first time in 12 years, America is at peace with all nations in the world.

I think we can be very thankful for the fact that for the first time in 25 years, not one young American is being drafted for the armed services of the United States. And we can be thankful for the fact that all of our very courageous prisoners of war who have been there, some as long as 8 years, are home where they belong. This we can be thankful for today on this occasion.

I know, too, that as we come into this area, that today it is very fortunate that we can think not of the problems of war, subjects which I had to address in 1968 and 1972, but that the problems we do have are the problems of peace. And I would like to speak briefly to those problems, ones that affect you, that affect your jobs, that affect your cost of living, and that affect your peace and its future for your children and your grandchildren.

And the first point that I want to make is this: I know this area very well; I know how Saginaw and Bay City depend so much, for example, on what happens to the automobile industry across this country. I realize that as automobile sales go down for whatever reason, that that means jobs go down here and in this whole area, as well as in the State of Michigan.

And I have in this respect some good news for you, but also I have a request to make of you in terms of what we need in order to get automobile sales up, automobile production up, and employment up in the Saginaw-Bay City area. That is our goal.

As all of you know, what has caused the problem with regard to automobile sales has been the energy shortage. And because of that energy shortage, the sale of cars, particularly some of the larger cars, has gone down. That has now been reversed to an extent. However, we need to do more, but there is a bottleneck. The bottleneck is in the Congress of the United States. The bottleneck is the fact that bills that we have presented to the Congress, bills that are supported by Senator Griffin, bills that are supported by Al Cederberg and others from your delegation here in Michigan, 17 of them are there in the Congress and haven't been acted upon.

Now, let me tell you what these bills, which may sound very technical, have to do with your jobs and with your future here in this area that depends so much on the health of the automobile industry.

The first one is this: It is absolutely essential that we, for example, deregulate natural gas. Now, why will that help? Because, as we bring more natural gas in the production all over this country, it means that gasoline then is made available which is not available at the present time in the quantities that we want. That legislation should be passed, and it can be passed if we get the votes in the Congress for it.

The second is with regard to auto emission standards. Now, I know that all of us, particularly those who think of the future of our country, we want our air to be clean, we want our water to be pure, we

are for a good environment. But also, we are for jobs, and we have to have jobs or we are not going to be able to enjoy that clean air and that good environment. And that is why the auto emission standards that Bob Griffin has been trying to get changed, that this Administration supports, they have to be relaxed. And if that happens, it means that automobile producers will be able to produce more, at less cost. And it means more jobs for the people in this area.

But that legislation sits there. It is bottlenecked in the Congress of the United States, a Congress that has failed to act.

And then, of course, there are other provisions that I could talk about. I don't suppose that many people here who have not studied the natural resources of this country are aware of the fact that the United States has over 60 percent of all the coal resources in the free world. We have got to use more of that coal. But again, in order to do it, we have to have legislation passed, a number of pieces of legislation that are before the Congress, that would allow that coal, first, to be mined and, second, to be used.

Now, what does that mean to you? That means that we have more gasoline, more fuel, more products available which will enable automobile production to go up to where it ought to be, which means full employment in the automobile industry in all its related areas, particularly in this area.

Now, let me tell you what we need in order to get that. We need men in the House, we need men in the Senate who will not just complain, who will not just be against something, but will be for something—for your jobs—and will vote for these programs rather than keeping

that bottleneck there. And Jim Sparling is that kind of a man.

The second problem that I know affects everybody here is the problem with the cost of living. And let me say there is one important way to keep down the cost of living, and that is to keep down the cost of Government in Washington, D.C.

The other point that should be made is that if our cost of living is going to come down, we need to increase the production of those items that go into the cost of living, the production on our farms—which I will address later in the day on this trip I am going to take through the “Thumb” area—and the production in other areas, because only in that way, by producing more, can we get down the cost of the things that you buy at the supermarket or the grocery store when you go out to do your shopping.

And then there are some other points that should be made—and I make them only briefly on this occasion—as to what we need in terms of representation in this district and in this Congress for you.

First, a new health program. Every family, I am sure, has known what it means sometimes, either in your own family or in a neighbor's family or relative's family, when you have a catastrophic illness and it isn't covered by insurance. Every family knows what it means not to be able to afford a doctor when you are sick. And so, we have a program which is lying there before the Congress, one that will provide health insurance for all Americans, one that will provide for catastrophic illnesses, and that program ought to be acted upon. And the main point is that it is a program that will not require new taxes, and the people of the United States want that kind of a health program.

It is also one that will have the doctors working for their patients and not for the Federal Government, and we want that kind of a program, I am sure, in America.

In the field of education, since so many schools are represented here, I noticed how much pride there was. The people from MacArthur High School are proud of their school. The people from Freeland High are proud of their school. The students from Bridgeport are proud of their school. And that is why our program for education is based on this principle, that the decisions with regard to the spending of money you get from Washington should not be made by bureaucrats in Washington, but should be made by your own school districts right here in the State of Michigan, and why we believe in your own neighborhood school, that those who want to go to school should go to that school which is closest to home. This is something that everybody believes in and something, certainly, that you can support.

And one other point, finally, that I should make. We have all heard of the welfare programs in this country, and we want every individual who needs help to receive it. But we need a program, a program which must come from Washington, D.C., in which it is never more profitable for a man to go on welfare than to go to work, and that is something that I think the people in this district would support.

I mention these particular points. Let me say, what can you do about it? Well, you, of course, can do something about it by your votes. You must choose between candidates. I can only say this with regard to your candidate for the Congress of the United States. I knew Jim Harvey for 13 years. He was one of the hardest working

men that was ever in the Congress. He was always there whenever there was a vote to be cast. He knew his district, and he represented the people of his district, and he wasn't controlled by anybody else.

What you need in the Congress of the United States is a man who will be a full-time Congressman, not a part-time Congressman. What you need is a man who knows the people of this district and who will speak for them. What you need is a man that is not controlled by big labor or big business, but only by you, the people of this particular area. And what you need is one who sincerely understands your problems and will work for them. And I think you have such a man in the man who worked for 13 years with Jim Harvey, your candidate for the Congress of the United States.

I have one final point, and then we must go on to our motorcade up through the "Thumb" area. I have just returned from Europe, as you know. There I met with the heads of 35 governments—Communist governments, the Soviet Union and China, and, of course, the governments of the free world, the great nations of Europe, Latin America, Africa, and Asia—and as I met with them, every one of them was concerned about the future of peace in the world.

We have ended wars before, as you know, but we have had four in this century, and then it has always been followed by another one. The veterans of World War II saw their younger brothers or sons fight in Korea, and the veterans of Korea saw their younger brothers or sons fight in Vietnam.

What we want now is peace that will last, peace for not just a few years but for a generation and longer. And we can have it, but we need a strong America, an

America which is strong not only militarily but also an America in which our people will recognize that it is our leadership in the world which the world respects.

And let me just say that as I come here to Michigan, as I talk to this great crowd of people, as I see those who talk about America, as I see those who wear the American flag, all that I can say is that I know you have faith in your country. You are going to see that America is strong, and a strong America is going to lead the way to a period of peace, not only for America but for the whole world.

This is a great challenge, and to the young people of America I can simply say, you can all help. You can help by having, represented in the Congress of the United States, a man who stands for strength for America, but a man who also says that in our dealings with other countries, let's be sure that American products get a fair shake, and we stand for that and very strongly for it.

The other day, just yesterday, I was in a little town in Ohio—Xenia—and I saw the devastation where a tornado had just ripped out whole blocks, and nothing was left. As I drove along the street, I saw several places where there was only debris. But then, there were areas where the individuals who had lived in those houses had put in a stake and they had an American flag on it. And I stopped and talked to some of them.

And I said, "Are you going to move out?" And they said, "No."

"What are you going to do?" I said. They said, "We love our town, we love our country, and we are going to stick it through." It is that kind of spirit that built America.

And let me say, we do have problems, yes, but thank God, they are problems of

peace and not the problems of war. We will solve these problems. We will solve them. The energy problem, which will mean more jobs for this area and for the whole country. We will solve the problem of inflation. And we will build for what we all want, prosperity, but prosperity without war and without inflation.

That is the cause we are for, and that is what your candidate stands for, and I am proud to be here with him.

Thank you very much.

[2.] BAD AXE (Huron County Court House, 12:23 p.m.)

Mr. Mayor, Mr. Senator, Mr. Representative,¹ and all of the other distinguished guests, and all of you who have been so kind to come out and give us this very warm welcome on this beautiful day here in Huron County:

As I saw this crowd coming into town and as I see you standing before me, I thought that the first thing that I did when I should get back to Washington, should be to get in the fellow that runs the Bureau of the Census and take a re-check on this town, because it said on my chart that there were 2,500 people who live here, and there have got to be about twice that many here. We thank you for coming in such great numbers.

I was glad to note, in talking to some of the people here, that as far as this particular area is concerned, that when it comes to the products that you raise, the prices are good. You have some problems with regard to getting the fertilizer that you may need. I can only say in that respect that thanks to the fact that that matter was brought to our attention by

¹ Mayor Edward S. Draves of Bad Axe, State Senator Alvin DeGrow, and State Representative Quincy Hoffman.

Jim Sparling, who worked in the White House last summer, that we are sending Director Simon, of the Energy Office, here. He will be here in the next couple of days in this district.

We are going to do everything we can to increase the supply of fertilizer in this area so that the farmers can sell more of those beans—what is it, \$48? Well, that is not bad.

And now, if I could just say a word to you about the choice that you will make in this election and what it means to you as individuals, not to you as partisans, either Democrat or Republican, but you who are American citizens selecting the one that will represent you in Washington.

First, I know the man who will be leaving this office, has left it, and the man who will be replacing Jim Harvey. For 13 years, he served in the House of Representatives. I can tell you the things that distinguished him. He was one of the hardest working men. He knew his district. He also was one who was a full-time Congressman.

It is going to take a big man to fill his shoes. And the man that can fill his shoes is Jim Sparling, who for 13 years worked with him in the Congress of the United States.

Now, the thing that you want to know, however, is why you need a man in the Congress of the United States that will represent you, every individual—the farmer, the worker, the small businessman—and will not take his orders from anybody else, whether it is big labor, big business, or what have you. This is that kind of a man. I will tell you what we need.

First, as you all know, one of the problems that has confronted our economy—we saw down in Saginaw and Bay City; it

has affected you to an extent—is the shortage of energy. We have moved on that in the international front, but the bottleneck is in the Congress of the United States where there are 17 pieces of legislation, including the deregulation of natural gas; auto emission standards, relaxing them so that we can produce more cars at lower prices; and the production of coal. I could mention a lot of these technical items, but what does it have to do with you, the people here in Huron County?

Well, it has this to do with you. Only as we get the supply of energy up, can we get the prices of energy down, and it is only through Congressional support of 17 measures that have been there in the Congress without action that we can get that supply up. And Jim Harvey is one who supported those proposals, and Jim Sparling is one who can do it in the future.

So, I say in this area, if you are interested in that, if you want more jobs, if you want more for your farms, I can only say the way to do it is to get a man in Congress who will not be a bottleneck, who will not be a “no” man, who will not be a rubber stamp for anybody, but who will represent you, each and every one of you. This is that kind of a man.

So it is with the other areas, whether it is a health program that provides health insurance for everybody with no increase in taxes but still retains that fundamental principle that a doctor should work for his patient and not for the Federal Government, or whether it is an education program that provides aid to education but provides that the decisions with regard to schools should be made by local school districts and not by bureaucrats in Washington, D.C., or whether it is a welfare program that is one that will make it not possible for an individual to say it is more

profitable to go on welfare than to go to work.

In all of these areas in which we need action in the Congress, it is in these areas that your vote is going to count when you vote for your next Congressman. Now, you will have noted that every area that I have mentioned does not involve partisanship. It involves your jobs, it involves your cost of living, and referring to that latter point, let me say one of the most effective ways to keep down the cost of living is to keep down the cost of Government in Washington, D.C.

And so, in this particular area, if you are interested in that kind of representation, you can do something about it, do something about it by your votes on election day.

Now, one final point I would like to make, and I make it particularly because there are so many young people here. I see the Boy Scouts and the Girl Scouts, I see the high school boys and girls, and I think that all of us on such an occasion think primarily of them and their future.

I have been informed by your mayor that this is the first time in history that a President of the United States has ever been here. Let me say, the President of the United States, whoever he is, must always and will always think of all of the people in this country, in the little towns as well as the big ones, but particularly, he thinks not just of the next election but he thinks of that next generation.

And I think all of us can be thankful today that for the first time in 12 years, on the first visit of a President of the United States to this county, a President can say the United States is at peace with all nations in the world, and we brought that peace, and we are proud of it.

And also, let me tell—as I went down

the line here, I met some, a father and a mother, and I imagine that they have teenage children, maybe a boy, and for the first time in 25 years, no one is being drafted for the armed services, and that is something we are proud of.

But you see, what we want is not just to have a war over with, which cost us so much in the lives of our young men and in our dollars and so forth, but what we want is to build a permanent peace that will last. That is why I went to Europe last week, that is why we are working for peace in the Mideast, that is why I will be going to the Soviet Union to talk to our adversaries to reduce the burden of arms that rests on the shoulders of the men and women who work wherever they are throughout the world and also reduce the danger of war.

I can tell you right now the chance that this new, splendid generation can grow up and be the first generation in this century not to know a war in America is better than it has ever been in the history of our country.

We can do it, but in order to do it, we have got to keep America strong, and Jim Sparling stands for a strong America. In order to do it, we have to have an America that sees its problems in the world, not in terms simply of helping everybody else when they will not help themselves, but in terms of seeing that America gets a fair shake in its trading with other nations, but in terms, also, of seeing to it that America, in whose hands the peace of the world lies today, meets that responsibility of world leadership so that our children and our grandchildren can grow up in a world of peace.

And I will simply conclude with this: What is our goal, what are you for as you vote? I will tell you what you are

going to be voting for. You are going to be voting for a full-time, hard-working Congressman. You are going to be voting, second, for a Congressman who is representing you, just you, every individual, and no one power group. You are going to be voting for a Congressman who is not just against, but who is for better health and better education, for solving the problems of energy, for better income for our farmers and our businessmen and the rest. And you are going to be voting for a Congressman who, above everything else, is for the kind of policies that ended one war for America and will avoid other wars for America.

Now, that is a cause worth working for and voting for.

Thank you.

[3.] CASS CITY (1:27 p.m.)

Well, I have appreciated, too, the opportunity to travel through this area, and I want to welcome all the people, I understand, who have come over from Caro, the county seat, as well as others in the Cass City area, and to tell you, as I mentioned in our earlier stop here, that when I see the census figures on these towns, I can't believe them because there are at least twice as many people—I think you will agree, Jim, there are 2,500 here. And we know you have driven many miles, you have stood a long time, and we are very grateful.

I just have a word to say about the man who stands by my side here. I know him well because he worked in our Congressional relations work at the White House during the summer of last year. I know him well, too, because for 13 years he served one of the finest Congressmen that we have ever had in Washington, a man

who won a great reputation because he was always on the job.

He represented the people of his district. He was not a rubber stamp for anybody else. He was simply one who spoke for you—Jim Harvey. And I think that is the kind of folks you are up here. You are independent-minded. You are not going to have anybody else tell you how to vote. What you want to do is look at the man. You want to realize that he recognizes your interests and he is going to support them, and I believe that while it takes a big man to step into Jim Harvey's shoes, you have that kind of man in Jim Sparling, because he knows Washington, he has the experience, he has the independence, he believes in you, and you can believe in him.

May I also tell you, since there are so many here who are in agriculture, how very much you mean to America. I know your concerns, of course, are what is going to be the price of beans or milk or what have you, and what are we going to do about the problems of fertilizer, of course, which is in shorter supply due to the energy crisis. But I think, from a positive standpoint, that you can be very proud that when we look at America's strength in the world, American agriculture is one of the great instruments for peace in the world. The fact that we can produce in this country enough to be the best fed, best clothed people in the world, the fact that we can do that so that the amount that comes out of a family budget for food is less in the United States than in any family budget in the world and, yet, have billions of dollars that we can export, that means that agriculture is a great power for peace in the world.

And that brings me to another point

that I think is very important to have in mind. One of the things I like about your candidate is that he is not just against, he is for, not only for you, but he is for those things that will continue to make America a great country, for doing those things in the Congress, breaking the bottleneck on energy legislation that will provide what we need in the field of energy and that will see that our automobile industry, that our agriculture has the energy that it needs.

He will do those things in the field of health and in the field of education that will see to it that the Federal Government's role is one that will provide the best health and the best education. But the decisions will be made by the people in the cities and the towns across this country, rather than by bureaucrats in Washington.

And let me tell you, when I see the kind of people that you have here in this district, this is where the decisions ought to be made and not in Washington, D.C.

And finally, I would like to give you, if I could, just one hopeful sign about the future of this country, as I see it, and its place in the world. First, in terms of our economy, because of the energy crisis through which we have now passed, it now has become simply a problem that we can certainly deal with. Here is what I see in the future if we get the kind of representation in the Congress that will fight for you and for these programs that are for America:

First, I see us having what we have not had for 12 years in this country, prosperity without war and without inflation. And let us be very thankful today, as we see so many young people here, let us be thankful that for the first time in 12 years, America is at peace with all nations; for

the first time in 25 years, not one American is being drafted for the armed services; for the first time in 8 years, all of our POW's are at home and that we have the best chance in our whole 200-year history to build permanent peace in the world.

You ask how can I speak so confidently on that? I can tell you that I have just met with the leaders of the Soviet Union, of England, France, Germany, and Italy, the great European powers, representatives, also, of the People's Republic of China, where one-fourth of the world's people live, representatives of Africa and Asia, the heads of state and heads of government, when I was in Paris for a 2-day visit. And I can tell you, they believe, as I believe, that we now have the best chance in world history to build a permanent peace.

It is going to require, however, that America be strong, and your candidate, Jim Sparling, stands for a strong America. It is going to require that America lead, and your candidate stands for leadership for America. And it is going to require, too, that America have the character and the strength that I see up in this "Thumb" area of Michigan.

I was interested to see, for example, a few signs saying "thumbs up," and as I complete my remarks to you, let me tell you, I see for this younger generation a period of peace, a period of prosperity without war and without inflation, and above all, the greatest opportunity that any young generation has ever had in the history of the world.

That is what we want for you. That is what we are working for, and that is what Jim Sparling will work for full-time. He is not going to be a part-time Congressman; he has always worked full-time at everything that he has done. He isn't go-

ing to miss scores and scores of votes. He is going to put you first, and he is going to be there when it counts. He is not going to be a rubber stamp for anybody else. He is going to be your Congressman.

That is the kind of a man, Democrat or Republican, whatever you are, that I think the people in this county, the people in this State, want in the United States Congress. I am proud to be here with with him.

[4.] SANDUSKY (2:50 p.m.)

If I could have your attention for just a moment, I would like to thank all of you for this wonderful welcome that you have given us on the last stop that we are making in this tour of what is called the "Thumb" area of Michigan.

When I saw on the schedule the town of Sandusky, I told one of my advance men, I said, "Not true, Sandusky is in Ohio." He said, "Oh, no, there is a Sandusky in Michigan." Well, I am glad to have come here. This is a great place to be.

I want you to know that in our travels through the "Thumb" area, we have seen literally tens of thousands of people and we have seen some of the richest farmland in America. That farmland makes it possible for America to play a great role in the world in terms of building a peaceful world.

It also makes it possible for us to be the best fed, best clothed people in the world in terms of any standard that you want to apply.

But the other thing that I noticed about this part of the country is a very strong feeling of independence, a feeling that you are people who want to look at your candidate who is running for Congress,

both of them, regardless of what his party may be, and you want somebody that is going to represent you and not somebody else in Washington, D.C.

For 13 years you have had Jim Harvey, a man who has been that kind of a man. And in Jim Sparling, I can tell you, he is not a rubber stamp for anybody. He is only going to work for the people of the Eighth District of Michigan. He is worth your confidence, and I am proud to be here with him.

But what is more important is what he is going to work for. He is going to work for a strong America so that we can keep the peace that we have won.

I have just talked to Captain [Robert] Abbott here. You probably know him. He was one of those brave men who was a prisoner of war in Vietnam. And I can say, we can thank God today that the war that I found when I came to Washington in 1969 as President, we have ended.

For the first time in 12 years, we have peace; for the first time in 25 years, not one young American is being drafted; and for the first time in 8 years, every American is home where he belongs and not in any prison camp in Hanoi or anyplace else, and we can be thankful for that.

And now we must go forward from there. We do not want to have his brothers, his sons, the brothers and sons of those who fought in Vietnam, in another war. We want to build a permanent peace, and that means we need a strong America, and that is where your Congressman comes in, because he will vote for a strong America, one that will meet its responsibilities in the world so that we can build a world of peace.

I have just met with 35 world leaders in Paris, and I can tell you that America is respected in the world. But the key to peace in the world is here, here in America. It is here not just in the Presidency, but it is here in the character of the American people, in our strength, not only our military strength but primarily our strength and our faith in ourselves and in our country.

I have seen it throughout this "Thumb" area of Michigan where I have seen your flags. I saw it yesterday in Xenia, Ohio, where I saw a tornado had swept through town, and people instead of leaving had put up a flag on what was once their house to show that they still had faith in their town, in their country, and in their God.

And I can tell you that there isn't any question that there is the best chance in our lifetime, probably in this Nation's history, to build a world of peace and to also have peace and to have it at a time when we can have prosperity without inflation.

We have problems now, which, as you know, are related to the energy crisis, but there again is where your new Congressman is going to come in. We need to break the bottleneck of the legislation that will allow us to produce those products that will provide the fuel that we need that will build up the automobile production, that will provide the fertilizer that we need that will build up the farm production. All of this we can and will have, but we need a strong, full-time Congress-

man in Washington to do it from the Eighth District.

We can't have a half-time, part-time man in Washington, one who is there for only half the votes, and I can tell you that Jim Sparling—I have known him for 13 years—Jim Sparling, like Jim Harvey before him, he will be working for you 100 percent of the time. He will be working for America 100 percent of the time. He will be working for a strong America, for a prosperous America. He believes in you, and you can believe in him.

And finally, I want to say to all of you, this is the first time, they tell me, that a President ever traveled through the "Thumb" area of Michigan. I am mighty proud to have been the first, and I hope that others will have the same experience that I have had. It has been a magnificent day. In fact, the weather is warmer here than it is in Washington, D.C., today. But it has been a magnificent day primarily in terms of the warm friendship that we have found.

We have seen some that support the other man. That is fine, but we have seen the great majority supporting our candidate. That is better. We are for him, and thank you very much for coming out today.

NOTE: The special election was held on April 16, 1974, to fill the vacancy caused by Representative Russell James Harvey's resignation, on January 31, to become U.S. District Judge for the Eastern District of Michigan.

109 Statement About Signing the Indian Financing Act of 1974. April 13, 1974

I TAKE special pleasure today in signing into law S. 1341, the Indian Financing Act.

This bill is the second to be enacted of seven measures which I proposed 4 years ago, when I pledged to follow a new phi-

losophy of self-determination for Indians. The first, enacted in 1970, returned the Blue Lake lands to the Taos Pueblo Indians. It continues to be my hope that, with the support and encouragement of the Federal Government, we can create a new era in which the future of Indian people is determined primarily by Indian acts and Indian decisions.

The Indian Financing Act contains three mechanisms to foster economic development for the betterment of the Indian people. One is the consolidation of three existing revolving loan funds now administered by the Secretary of the Interior, and the authorization of an additional appropriation of \$50 million for the fund. The second establishes a program whereby the Interior Secretary can guarantee private loans made to Indian organizations and individuals or, in the alternative, insure such loans in the aggregate. The third establishes an Indian Business Development program in the Department of the Interior which would aid small Indian businesses through grants of up to \$50,000 per business. Further, this bill would authorize the Secretary of the Interior to cooperate with the Small Business Administration, ACTION, and other Federal agencies and private organizations in providing management and

technical assistance to an Indian enterprise which qualifies for loan or grant assistance.

The loan guarantee provisions of this bill are especially significant. The Bureau of Indian Affairs, which has been in the business of making loans to Indians for decades, can cite solid evidence showing that Indians are good loan risks. Unfortunately, the business community has not been fully aware of this fact. The loan guarantee program is the Administration's way of backing up our conviction with Federal money. I hope that enactment of this bill will greatly enhance the financial attractiveness of Indian borrowers in the private sector.

It is also my hope that the enactment of this bill will mark the beginning of a period in which the Congress will promptly send to my desk the remaining proposals I made in 1970 to enable American Indians to become more prosperous and more independent.

I commend the bipartisan work which has made this bill possible and want to see that effort continue for the rest of our Indian legislative program.

NOTE: As enacted, S. 1341, approved April 12, 1974, is Public Law 93-262 (88 Stat. 77).

The statement was released at Key Biscayne, Fla.

110 Statement About the Death of Arthur Krock.

April 13, 1974

ARTHUR KROCK's "Sixty Years on the Firing Line" marked him as a journalist of surpassing judgment and integrity. As both a correspondent and commentator he brought a sense of perspective and understanding to public affairs that was valued by all who knew him and won for

him the highest awards of his profession. One of his awards was the Medal of Freedom, the Nation's highest civilian honor, which I had the privilege of presenting to him in 1970.

Mrs. Nixon and I join the Nation in mourning the death of one of America's

greatest journalists and one of her finest sons.

NOTE: Mr. Krock, 86, died in Washington, D.C., on April 11, 1974. He was with the New

York Times from 1927 until his retirement in 1966.

The statement was issued at Key Biscayne, Fla.

111 Memorandum About the Federal Summer Employment Program for Youth. April 16, 1974

Memorandum for the Heads of Executive Departments and Agencies:

Many of our young people in America look forward to summer with both the hope and need for summer jobs. We in Government have an opportunity to assist them in their efforts to find that employment.

I am again requesting Federal managers to give their full support to the Federal Summer Employment Program for Youth. Our experience over the years demonstrates that this kind of investment in our young people pays handsome dividends.

In addition to the values gained by young people through their involvement in a wide range of activities, Federal departments and agencies benefit. Young employees can come as replacements for regular employees who are on vacation. They help do the work generated by increased workloads which some agencies experience during the summer months. They provide Government agencies with a chance to expand relationships with

educational institutions, and they frequently gain fresh insights from contact with these young workers.

Apart from your selection of young people from the Summer Employment Examination, agency merit staffing plans, and the Federal Summer Intern Program, we must continue to see that needy youths have opportunities for Federal employment experiences. For the latter purpose, I am again setting a general goal of one needy youth for every 40 regular employees.

The Chairman of the Civil Service Commission will continue to provide leadership and guidance on all aspects of the Federal Summer Employment Program and will report to me on accomplishments. The support of your organization for this program has contributed greatly to its success in past years. I am confident that you will give this year's program your continued personal support.

RICHARD NIXON

NOTE: The text of the memorandum was released at Key Biscayne, Fla.

112 Toasts at a Dinner Honoring Latin American and Caribbean Foreign Ministers. April 17, 1974

Your Excellencies, the Foreign Ministers and the Ambassadors from the Latin American countries and the Caribbean countries:

I wish I could address you in the language which most of you understand and speak so well, but I would not presume to do so. Consequently, tonight I will have

Mr. Barnes, who speaks English better than he speaks Spanish and Spanish better than he speaks English, translate for me.

I will simply open this comment with regard to our relations with one of the few Spanish phrases I think I know reasonably well. Mrs. Nixon and I say, *estan ustedes en su casa* [you are in your home].

As you went through the receiving line tonight, my wife and I shared many memories with you. It was 34 years ago that we had our wedding trip in Mexico. Obviously, she was much younger than I was at that time. And our distinguished Secretary of State followed our example, because he just had his honeymoon in Mexico, too, and we welcome Mrs. Nancy Kissinger on her first visit as the wife of the Secretary of State tonight. She is a little liberal, but otherwise, she is all right. Don't interpret the word "liberal" literally, please.

After that first trip 34 years ago, we returned again to the Caribbean and to Central America for a trip which took us to eight countries in that area in 1941. The other events come tumbling over: the attendance at the inauguration of Ruiz Cortines in Mexico in 1953 [1952], a trip to Mexico and all the Central American countries in 1955, and then a trip through all the South American countries in 1958, and then as private citizens returning to Mexico on our 25th wedding anniversary in 1965, and in 1967, a tour which took me to virtually all the countries of South America.

Now, my only regret is that in this travelog that I have just gone over, I have not had the opportunity—except for Mexico, our great friends and neighbors to the south—to visit the countries of Latin America and the Caribbean. But I believe

I have sent our best ambassador there in my stead.

Mrs. Nixon's visit to Peru at the time of the earthquake and then her recent visit to Caracas and to Brasilia for the inaugurations, I think, indicated that the one who was closest to my heart could win the hearts of the people of Latin America.

As you can tell, I probably, as a result of this, am the first President of the United States ever to have visited all the nations of Latin America before entering this office. And while traveling alone is not significant, these travels do indicate, it seems to me, the measure of the affection and esteem which not only my wife and I but all Americans continue to have for our neighbors in the Americas.

Let me speak very frankly about the relations between the United States and our friends to the south. During these past 30 years, we have heard an enormous amount of rhetoric about the relationships between our countries. There have been almost as many slogans as conferences, and too often, both have been quickly filed away and forgotten.

Now, in the past 6 months, the United States has proposed a new approach, what we call "a new dialog." It was discussed in New York, again in Bogotá, then in Mexico City, now in Washington.

Now, after so many trial runs, we think this one is here to stay.

But, you could very well ask, why will our "new dialog" be any better than the old ones? Why will the future be any different from the past, when the United States so often seemed to ignore its friends to the south?

Let me answer that very directly. Over the past 5 years, I have seen that the winds of change are blowing strongly across the

entire world today. In fact, initiatives undertaken by the United States have helped those winds along their way.

There is one great lesson that all of us, large and small whatever our nations may be, must learn. The nations of the world can no longer ignore each other, whether we like it or not. A decision by an oil producer in the Middle East has a direct impact upon the supplies of gasoline and fertilizer in the West.

A decision by a wheatgrower in the great northern plains of North America can make the difference between full and empty stomachs, not only in the south of the world but also in the east and west.

Independence, a proud concept, has given away to interdependence. The past has given away to a new way of life. And the critical question now is whether we return to the past—it is too late for that—but how we shape the future.

Now, there are some that argue that every nation must now fend for itself in a narrow struggle for survival, setting man against man, nation against nation, bloc against bloc. That, in my opinion, would lead to the eventual collapse of Western civilization as we have known it.

We propose instead that we meet the reality of interdependence by following a different path—a higher road of cooperation and of collaboration. It will be more strenuous, it will require more patience, it may even be more expensive in the short run, but eventually we believe it will lead to a better life for all of our people in every nation.

Now, this, in essence, is the meaning of the “new dialog” we are calling for. It is more than a slogan, it is more than just more talk; it signifies a new attitude, a new desire to join with you in seeking out that

high road of cooperation and growth for all of the nations in the Americas.

And going now from words to actions, let me be more concrete about what you may expect from the United States in this new endeavor.

Speaking personally, and speaking also about the world in which we live, the greatest gift I hope to leave to my countrymen and to the world is a legacy of peace. It is our desire for peace that has been the foundation for our new relationships with the Soviet Union and the People’s Republic of China, and which shapes our relationships with other nations.

And our relationships with Latin America are a central pillar in the structure of peace we are trying to build for the whole world. And it would be our hope that we could work more closely with you in maintaining peace beyond our hemisphere and that we could continue to work with you in keeping the peace in our hemisphere.

On the political side, you can expect that the United States will not seek to impose its political preferences on your countries; that is your decision. We will not intervene in the domestic affairs of others in this hemisphere.

And finally, and of keen interest tonight, we have a mutual interest in economic growth and prosperity for all the nations in this hemisphere. There is just as much at stake for the United States as for the nations of Latin America and the Caribbean, and I reaffirm my pledge to work directly with you in the areas of greatest concern. Let me enumerate them:

We will continue to seek trade legislation which will permit generalized trade preferences, a concept that I have supported for years.

We will seek cooperative solutions to our energy problems, and we shall share our resources and our research with you.

We will seek better ways to pool our knowledge of science and technology.

We will seek to maintain our level of aid.

We will seek to consult more closely with you on international trade and monetary affairs.

And we will continue to encourage the growth of private capital in ways that are mutually acceptable.

We recognize that each government in this hemisphere has the sovereign right to determine the rules for investors in its country.

But speaking from experience, we also believe that private investment is the richest potential source of the technology, the capital, the organizational skills that the developing world needs.

For example, the amount of private capital that flows to Latin America today is over twice as much as the amount of public capital. We must recognize that many of the nations which enjoyed the fastest rates of economic expansion have had the benefit of intensive infusions of private capital as well as public.

This, then, is a summary of the "new dialog"—peace, political freedom, economic growth. The road ahead will not be easy. It has never been traveled before, and it is only dimly perceived. The pessimists predict we will lose our way, because they say our civilization is entering a new age of darkness.

Let us prove to them, all of us, what we know in our hearts: We are indeed entering a new age, but what we see is not a setting but a rising sun, a new dawn for the Americas.

I have often been asked, after my trips

to Peking and to Moscow, to Europe, to Southeast Asia, whether this means a downgrading of our interest in our friends in the American hemisphere.

Let me assure you tonight, nothing could be further from the truth, because the new initiatives we have undertaken in these past 5 years are essential if we are to have world peace. If we have world peace, all of the people in the Americas will benefit. And if we have world war, all of the peoples in the Americas will suffer.

And that is why I say tonight, let us join together in these initiatives to seek to build a new structure of peace, not only for ourselves but the whole world. And whatever success we have in this direction will benefit us all.

And now tonight in proposing a toast, I cannot propose it to any individual because all are of equal rank, but I remember that when I visited my friend Galo Plaza¹ at his farm, he used a wonderful expression that I think is the proper expression I should use in proposing the toast tonight.

This man, that I have just made an all-American football player 30 years after he played football at the University of California, which will put him in the Hall of Fame—[laughter]—spoke very feelingly about California, the State in which he got his higher education, and his own country.

And he said what we must all understand is that despite our differences in background, despite our differences in language, despite our differences in culture, and despite our difference in political ideology, we are all one family, we are all

¹ Secretary General, Organization of American States.

proud members of the American family.

So, it is in that spirit that I propose the toast. *La familia Americana*.

And now to our very special guests, if you will be seated again, it was very difficult to select the individual from this distinguished group who would respond to the toast. We did not flip coins, so we went to seniority. That does not mean that seniority means senility, but one thing I learned and Mrs. Nixon learned in our travels through the countries to the south is that while there are very many, and most speak the same language, each has its own character, each is quite different, and each is very proud of its own background, and that diversity must never change.

And so, we call upon not the largest country here, we call upon one that is one of the smaller countries, but it is a country we remember well, not that it is not and should not be known for other things. I refer to that nation where the lovely ladies do the bottle dance.

Our distinguished guest, the Foreign Minister of Paraguay.

[At this point, Foreign Minister Raúl Sapena Pastor responded to the President's remarks. The President then resumed speaking.]

To all of our distinguished guests, we realize that you have come a long way, most of you, and that tomorrow you will be going to Atlanta, and I would simply like to bring this historic occasion—historic at least for us who are honored to be your host—to a conclusion with these words:

This house is not an old house when you compare it with the great houses of Europe, of Asia, of the Mideast, even of Latin America. It was planned by George Washington, and every President since Washington has lived here.

And I think it is fair to say that every President of the United States has had a dream about his own country and about the world. Some have been more successful in interpreting that dream than others. But all have tried, because they know that that dream represents what the American people, the people of this country, of the United States, feel in their hearts.

It was summarized perhaps best by Thomas Jefferson when, at the time of the signing of the Declaration of Independence, he said, we act not just for ourselves, but for the whole human race.

Now, to some contemporary observers at that time and some at this time, that would seem in retrospect to have been a very arrogant statement. But speaking for all of the people of the United States of America, let me say to you that I know our people, I know how they feel.

We are strong now, whereas compared with at the beginning, we were very weak. We are rich now, when compared with at the very beginning, we were very poor. But it is our great desire to share whatever we have in terms of development with all the peoples of the world and, particularly, with our closest friends and neighbors, and to use whatever our strength is and whatever our wealth is, not only to build a world of peace, peace in the sense of absence of war, but peace in terms of progress and development for all people wherever they may be.

That was the dream of those who founded this country. That was the dream of those who founded your countries. We are all part—as old as we are—we are all part of a new world, and together we can build a new world for all people who live on this Earth.

And in this room that has seen the great leaders of the world pass through

it over 175 years, it is well to conclude by saying that the hopes of all the people of the world—not just the Americas but all the people of the world—for peace, for progress, for opportunity, lie with our solidarity, with our unity, and with our vision. And may the historians one day record that we, the inheritors of the new world, helped to build, not only for ourselves but for the whole world, a structure of peace and progress for all.

And it is in that spirit that I respond to the very eloquent remarks of the Foreign Minister from Paraguay.

And with those words, Mrs. Nixon and I will now, according to protocol, leave the room. We understand that refreshments are still available, and for those who like to, even dancing. And for those who haven't airplane reservations for Atlanta, we can provide a bus. [*Laughter*]

NOTE: The President spoke at 9:25 p.m. in the State Dining Room at the White House. An advance text of his remarks was released on the same day.

The foreign ministers were attending informal meetings at the State Department, held on April 17 and 18, 1974, prior to the opening of the General Assembly of the Organization of American States in Atlanta, Ga., on April 19.

Foreign Minister Sapena Pastor responded to the President's remarks in Spanish. His remarks were translated by an interpreter as follows:

Your Excellency Richard Nixon, President of the United States of America, Your Excellency Mrs. Nixon, Your Excellencies ladies and gentlemen:

The Ministers of Foreign Affairs of the nations of Latin America and the Caribbean have conferred upon me the extraordinary honor of replying to your words. Aware of this great responsibility, I assume this mandate, shielded by the magnitude of what I represent.

The history of inter-American relations will record as a very fortunate initiative of yours, Your Excellency President Richard Nixon, to

have instructed the Secretary of State, Dr. Henry A. Kissinger, to invite the Ministers of Foreign Affairs and representatives of the countries of Latin America and of the Caribbean that were attending the 28th period of Regular Sessions of the General Assembly of the United Nations, to a meeting which was held on October 5, 1973, and to there suggest the initiation of a "new dialog" to deal with matters of interest for the American continent.

It is true that as close as we were and as united by common bonds and interests in the destiny of the continent and of the world, however, we lived at a distance in the consideration and the treatment of those things which are basic and vital to our civilization.

And for one part, there was a United States of America, the leading world power, which had achieved the highest levels of standards of living for its people while at the same time having to be concerned and to take care of problems and situations scattered throughout the globe, situations of every order and nature, at every distance, and of the most varied degrees of seriousness, and on the other hand, all of the nations of Latin America and of the Caribbean with different degrees of development, deprived to larger or lesser degree of the financial and technological means necessary to increase their economic, social, educational, cultural, scientific, health, and technological conditions.

The idea of this "new dialog" was immediately taken up by all of the American nations, and the distinguished Foreign Minister of Colombia, Alfredo Vázquez Carrizosa, on behalf of his government issued an invitation to the meeting of Bogotá held in November of 1973 where there was an exhaustive debate before establishment of the items on which the usefulness of a dialog was established.

Thus came about the Conference of Tlatelolco, held in February of 1974, where under the skillful and enlightened leadership of the Foreign Minister of Mexico, Don Emilio Rabasa, and this time with the presence of the Secretary of State of the United States of America, the dynamic and clearly successful international negotiator, Dr. Henry A. Kissinger, there was an advanced consensus achieved on the solutions to the subjects brought up at Bogotá.

Among the positive results of Tlatelolco, there are two that are very important, but that were not even included in the agenda. The first is having converted this "new dialog" offered in October of 1973 into a continuous process of consultation. The second, which is the birth of what we have come to call the "Spirit of Tlatelolco," which is a new state of feeling among all of the nations of the Americas who commit themselves to work with faith and will in a coordinated and joint action in order to achieve the harmonious development of all the nations.

Development in all its aspects has to be the basic theme of the process of consultation that we have established. It has been said that the new name for peace is "development." In reality, there is so much overlapping between both terms that just as we cannot have development without peace, we also cannot conceive of peace without development.

Mr. President, this splendid setting that you are offering to the Foreign Ministers of the nations of Latin America and the Caribbean undoubtedly is not the propitious time to refer to generalized preferred tariffs, to financial assistance, to the transference of technology, to monetary reform, to tariff and nontariff barriers, to the net transfer of real resources, and to many other items which will appear in the agendas in this continued process of consultation until they are definitely resolved.

But if what separates us is not geographic distance, but rather the differences in the degree of development, necessarily we must agree that our main fundamental concern should concentrate and give priority to the structure of international trade and the monetary system.

And so the present and unfair terms of trade dealing with our raw materials vis-a-vis manufactured products, a trade that takes place not only with the United States of America but with the entire industrialized world, this is what generates the differences in development that create artificial distances and obstacles of all kinds in the relations between our peoples.

I have the conviction that the day that our nations of Latin America and the Caribbean receive fair and equitable prices for their labor and their products, there will be a reduction in the clamor for financial loans, and technology

will be just another product that we can purchase and pay for and not assistance or a favor that we want to receive.

In this task, the nations of Latin America and of the Caribbean expect to continue counting on the firm cooperation of the United States Government, a cooperation that we have seen already in the dialog and in the consultations with Secretary of State Kissinger.

Mr. President, even though the meeting of foreign ministers that we are holding here in Washington is in appearance unrelated to the Fourth Period of Sessions of the General Assembly of the Organization of American States, which will begin on April 19 in Atlanta, although this first meeting is informal and non-institutionalized and the second one will be formal and will follow treaties and instruments that are in effect, it is obvious that we cannot separate one from another and even more obvious that the subject of the restructuring of the inter-American system will appear on both agendas.

I have the honor to express to you, Mr. President, that the nations of Latin America and of the Caribbean harbor the hope that as a result of the restructuring of the inter-American system, that more dynamic instruments may come into being that will permit a better and faster achievement of development of all nations, that will embody all of the rights, assurances, and protection deserved by persons and states, that will stimulate what Secretary of State Kissinger has called a friendship based on equality and respect for the dignity of each one and a new inter-American system, in short, that will be able to be imbued with and which we will decide to translate into this symbol of faith which we have come to call the "Spirit of Tlatelolco."

Your Excellency President Richard Nixon, I interpret the sentiments of all my colleagues, the Ministers of Foreign Affairs, in expressing to you the deepest appreciation and esteem with which we have followed your admirable and tenacious efforts in favor of a world peace and for the reduction of international tensions.

In thanking you on behalf of all the Ministers of Foreign Affairs of the nations of Latin America and of the Caribbean for the many and very fine attentions which we have been receiving from your Government, I would like to express

our best wishes for the ever-increasing greatness and prosperity of the United States of America, for the personal good fortune of yourself and of Mrs. Nixon, and to the fact that the happiness of all of our peoples be

achieved by means of a global development which will make possible dignified international relations based on respect and equality.

To your health, Mr. President.

113 Remarks at the 83d Continental Congress of the Daughters of the American Revolution. *April 18, 1974*

Madam President General,¹ all of our distinguished guests this morning in Constitution Hall:

Mrs. Nixon and I are very grateful for the very warm welcome you have given us on this occasion, and I want you to know that there are several reasons I am happy that we could be here for this final General Session of your 83d Congress.

First, because your president general is our neighbor in California. We are very proud of Mrs. Spicer. We are glad that she has served so well. And we would like to show our gratitude to this organization in the very, shall we say perhaps, small way, but one that may be something to all of you who have such a sense of history.

Mrs. Spicer has told me that your White House tour is scheduled for tomorrow afternoon. And Mrs. Nixon is going to arrange to be away from the family quarters on that occasion—she will be in the vicinity, but not in the family quarters—and I am going to arrange to do my office work over in the Executive Office Building. And so, for this group, when you come to the White House, we are opening up not only the public floors, the ground floor and the first floor, but the whole second floor where the family lives.

¹ Mrs. Donald Spicer was president general of the National Society of the Daughters of the American Revolution.

The White House Rose Garden will be open. It now has tulips in it, incidentally, but you will enjoy seeing that. But perhaps you will also enjoy going into the Cabinet Room, which will be open for your inspection, and also the President's Oval Office. So, that is our offer to you.

I wish that we could give each of you a little memento when you come there, but there are just a few too many, I think, scheduled for the tour. Just don't take anything that is nailed down, that is all we ask.

This 83d Congress is, it seems to me, a very appropriate occasion on which to address an event that will occur in just 2 years. I refer, of course, to the 200th anniversary of the American Revolution.

That will be a great year, the year 1976, for America—a great year, particularly, for those who are interested in its history and for those also who are interested in its future. I know that this organization has been doing a great deal of thinking about how it could contribute to the success of that Bicentennial celebration, and I express the thanks of the Nation for what you have done for Independence Hall, your gift to the Nation, the second floor of that historic building that has been restored by reason of the contributions you have made. And also, I express ap-

preciation for what you are doing and are going to do in each of your States and each of your communities in seeing that we have not just a celebration in Independence Hall, where it all began, but throughout the Nation.

Incidentally, I should not say in Independence Hall where it all began, because there are people from Virginia and Boston and other places here who think it began there.

But we know that this organization, among all the great organizations of America, will have its heart in this celebration, will have its heart, and you will give of your funds, of your time, of your energy, and of your spirit to make it one that all Americans will appreciate and, particularly, young Americans will find inspiration in.

I would like to address this morning perhaps the more profound subject of what the American Revolution was really all about, and this, of course, could be a long dissertation, but I think I can summarize what most observers believe the American Revolution was about in a very few words.

First, it had a distinct quality in one respect. The American Revolution was not something that just occurred in 1776 and then ended. It was not an event that you look back to and say, on that day the American Revolution started, it was finished when Yorktown came, and then it was all over. America was independent. That, of course, was a great event. But the American Revolution is distinct because it has been a continuing revolution, a continuing revolution throughout the 200-year history of our Nation.

Americans are not a people that are ever satisfied with things as they are. Americans are a people that want prog-

ress. They want more opportunity, more freedom, more progress, more prosperity for their children than they had for themselves. And so our Revolution began, it is true, in 1776, but it is continuing throughout our whole history and will continue in the future, and this is one thing we must remember as we celebrate that great day of the past.

There is another thought that occurs to anyone who observes the American Revolution—and any revolution for that matter—and it is a very troubling thought in a sense, because when you read through the pages of history, you will find that governments, civilizations have a tendency to be weakest when they appear to be richest.

I know many of you have been to Rome and to Athens. Perhaps at night you have walked, as I have, through the Forum. You have seen that all that remains of the great Roman civilization; all that remains of the great Athenian civilization of ancient Greece are those magnificent columns, glistening in the night. And when you read the history of what happened to Athens and Rome—and others, for that matter, could be used as examples—but when you read that history, you find that those civilizations came down not because they were poor and not when they were poor, but when they were very rich; not because they were weak materially, from a military standpoint, because at that time they were quite strong.

It was because they had lost something within; they had lost their sense of mission, their sense of destiny, their sense of character. They turned inward. They were thinking only selfishly of themselves, and as a result, other peoples, not as civilized, not as rich, not apparently as strong, overran them. And all that is left are the columns.

Drive through Washington today. It is a magnificent city. You helped to make it magnificent with this building. You see the Archives Building with its columns and the Capitol and the White House, and you wonder, how will it be 2-300 years from now? Will they simply be shells? Probably not. But even as troublesome, will they simply be buildings in which people work and so forth, but in which the sense of greatness that now inspires this Nation is gone, has disappeared, and at a time that we were strong and rich, we became weak.

That is something we should think about as we celebrate our 200th anniversary. And we should think about it because we must remember that the additional characteristic about the American Revolution—in addition to the fact that it was not simply a single event that occurred and stopped 200 years ago, or 195 years ago, that it was a continuing revolution—the other characteristic is that from the beginning, Americans, their leaders, have spoken of our Revolution having meaning not only to ourselves but to others as well.

And from the beginning, that meaning in terms of the Revolution having meaning to others as well was not in terms of conquest, but having meaning in terms instead of destroying freedom, of defending freedom; instead of destroying peace, of defending the peace.

That was the American ideal. It is a strain that runs through American history from the beginning. Jefferson said it, you remember, at the time of the Declaration of Independence. He said we act not just for ourselves but for the whole human race.

Now, imagine what a statement that was. Thirteen colonies, they were weak,

they were poor, they could mean nothing in terms of the balance of power in the world. But Jefferson and those who signed the Declaration and later the Constitution believed in their hearts that they were acting not only for themselves, the 3 million who lived on the Atlantic seaboard, but for generations to come in America and for the whole human race. And so, that gave them a sense of greatness within, which inspired people throughout the world.

Go down to the Lincoln Memorial. You will see the immortal words from his great speeches, and you will see one phrase to the effect that we will seek a just and lasting peace, not only among ourselves but between all nations.

Now, for Lincoln to say that or for some leader of the South to say that at a time that America was just completing a terrible civil war, was highly unrealistic; that America, weak as it was after such a war, could play a role, not only for peace among ourselves but between all nations, was unthinkable to any pragmatic observer of the international scene. But Lincoln believed it, and Lee believed it, and those who got together after that terrible strife all continued to believe it.

Woodrow Wilson said it quite eloquently, I thought, when he spoke at Independence Hall on July 4, 1912 [1914]. He said a patriotic American is never so proud of the flag under which he lives as when it becomes for others as well as for himself a symbol of hope and liberty.

When Wilson said that, that did have, from an international standpoint, more meaning because America was stronger then, and what happened in America and what America did abroad would have made and did make a very great difference in the world.

So, now we come to today, 2 years from the 200th anniversary.

America has just finished a very difficult war, the longest in our history, one which divided Americans at home, one which, however, we can be proud we saw through to the end and, as a result, that millions who would otherwise be under a government imposed upon them against their will are now choosing their own way.

And I would only suggest at a time when so much attention is directed to those who deserted America, let's give honor to the 2½ million who served America in Vietnam, because at this time, the future of America's own security and the future of peace in the world is going to depend upon a number of factors, and one of them is the strength of America militarily.

Should we allow those voices to prevail who want America to reduce its strength so that we become the second strongest nation in the world, then America no longer can play the great role of peace-maker in the world, which is our destiny.

So, as far as that strength is concerned, let us also remember it is not simply in ships and in guns and in tanks and all the instruments of warfare that we hear and read so much about, but it is in the men and the women who serve in the Armed Forces. It is a volunteer Armed Forces, and I say, honor them, respect them, because that is why they will go in.

And Mrs. Spicer, who has in her family—I just can't understand why she discriminated against the Army, but the Marines and the Navy are all there—let's honor them all for their volunteer service.

It would be easy to stop there, but that wouldn't be enough because that comes back to the original theme. When America

was poor and when it was weak, it nevertheless captured the imagination of the world, because it stood for something other than material strength and wealth. And when America is strong and when it is rich, it will not have meaning for the world unless it stands for something else than material strength and wealth. And that is where this great celebration can serve this Nation with your help.

We must maintain our strength militarily. We must continue our revolution which will increase the opportunity, the freedom, the progress for all of the people within this country.

These are great goals, but we must also be reminded of the fact that whenever a nation—as is the case with an individual—but whenever a nation ceases to have a goal greater than itself, it ceases to be a great nation.

I often recall what President de Gaulle said to me in 1963. He said France is never her true self unless she is engaged in a great enterprise.

Now, great enterprises can mean things that are bad—conquest, for example—but great enterprises can also mean things that are very good, peace for all people and the opportunity for all people to choose their own way. That is what America's great enterprise is.

Why did we come into the world? Oh, there are many answers to that. We came into the world because we were a haven for those who were oppressed from the nations of Europe and other nations, perhaps, in the world. We came into the world because here was a land where people could get a new start and build a new nation with new ideals.

But I believe, as Jefferson believed and as Lincoln believed and as Wilson be-

lieved, that America came into the world not just for ourselves but for the contribution that we as Americans could make to all of mankind, not in terms of what we could give to them materially, but more important, in terms of the leadership we could provide to those forces in the world which are essential if we are to have and to enjoy a world of peace, true peace, peace meaning more than absence of war.

Now of course, I know there are those who would suggest, why us? Haven't we done enough? We had World War I, and then the sons of those who fought in World War I fought in World War II. And after we had the United Nations in San Francisco, we thought, that is the end of it all. And then within a few years, the brothers of those, the younger ones who had fought in World War II, were fighting in Korea. And then, after that was ended in 1953, their younger brothers and their sons were fighting in Vietnam.

We have been in this century and seen four wars, and we have never had a generation without a war. And so now the great test is, can America, as we approach our 200th anniversary, can we meet the challenge that is ours of trying to provide the leadership so that the next generation can be the first generation in a century to be one that will not have war.

Well, I firmly believe that is the case. I know that it is not easy. I know from having dealt with and met the leaders of the world, those who have ideologies completely different from ours and antagonistic to ours as well as those who are friendly to ours, I know that the seeds of conflict and confrontation are always there, ready to grow again, unless there is in the world a great nation ready to assume the responsibility to be sure that we can avoid

confrontations and bring about that consultation which can lead to a peaceful settlement of differences.

And so, it comes down then to this: On this 200th anniversary, let us dedicate ourselves to a strong America militarily, let us dedicate ourselves to a prosperous America with opportunity and freedom such as even we have not enjoyed. But above all, let us dedicate ourselves to a renewal of America's sense of mission, America's sense of patriotism, America's sense of destiny, because it is only with that that we will be able to provide that leadership which can only come from here; because as you look around the world today, there is no other nation in the free world among the great industrial powers that can assume that leadership.

And so, I say to you in conclusion of this great conference, the peace of the world is in our hands. We do not say that in an arrogant sense. We do not say that because we wanted it there. We say that because it is a fact of history. It is there.

And what we do or fail to do will determine the fate of 210 million Americans, but also of 3 billion people on this Earth, for not only a generation but perhaps for generations and even centuries to come. That is what the facts are. That is the challenge.

And so, on this 200th anniversary, let us look back and be proud. Let us look at where we are and be thankful, but let us look to the future and say, America was great in the beginning because we realized then that we meant something bigger than ourselves. We were willing to sacrifice for a cause which went beyond ourselves. And America today will meet the challenge of world leadership, and we will leave a legacy, a legacy that Jef-

person dreamed about, Lincoln, Wilson, the Presidents, the common people, all the peoples throughout our history.

We, on the 200th anniversary of our Nation, at a time that a civilization has the danger of going downward because it is rich, of becoming weak because it is rich, of tearing itself apart with internal strife because of its wealth, rather, not because it does not have it, that at this time there will be a renewal of America's sense of destiny, so that we can leave a legacy such as no generation has left in any nation in this century, a legacy of peace for

all mankind, of real peace, that not only Americans can enjoy but that others as well can enjoy.

There is a great goal. And as we dedicate ourselves to that great goal, that American Revolution that you represent so well here in this great hall will get a new sense of life, a new sense of vigor, a new sense of destiny that will make it live for another 200 years and long after that, I am sure.

Thank you.

NOTE: The President spoke at 10:02 a.m. in Constitution Hall.

114 Statement About Energy Conservation Policy in Federal Land Use. *April 19, 1974*

AT a time when all Americans are being asked to conserve energy, it is imperative that their Government set an example in this effort. I have established energy conservation goals for Federal departments and agencies which are even more ambitious than those being asked of the general public. The results thus far have been most encouraging. We must provide the same responsible Government leadership to the use of land and other natural resources in meeting our energy needs.

In my January 23, 1974, energy message to the Congress, I stressed again the necessity for streamlining the site selection process for energy facilities. The availability of potential sites, of course, resolves around the general issue of land use. Therefore, on the basis of recommendations by the Federal Property Council, I am announcing three actions to be implemented in a manner consistent with applicable environmental laws and zoning

regulations, which will ensure that our Nation's energy requirements are considered in Federal land use decisions.

First, I am directing the Administrator of the General Services Administration to review all pertinent Federal regulations to determine the need for amendments ensuring that GSA and the Federal agencies and departments consider energy implications in building design, building management, land acquisition, and land disposal actions. Working with the Federal Energy Office and other appropriate agencies, GSA shall submit proposed amendments within 90 days to the Federal Property Council for review.

Second, I am directing the Administrator of the General Services Administration to consider the need for energy sites for powerplants, storage areas, or refineries in the disposal of surplus Federal property under existing laws and regulations. The need for energy sites should be given care-

ful consideration as an end-use objective for the sale of surplus Federal land at fair market value.

Third, I am directing the Chairman of the Federal Property Council, upon receiving from the Administrator of the Federal Energy Office an assessment of the supply and demand factors of energy facilities in both the short and long run, to initiate a study to determine what other initiatives the Federal Government might take to (a) identify potential energy sites on Federal land, and (b) investigate the feasibility of using such sites for energy

purposes.

This new initiative will become an integral part of Project Independence. The Federal Property Council's leadership has been outstanding in the Legacy of Parks program, through which 400 surplus Federal properties covering 62,000 acres have been made available for parks and recreation. I am confident that the Council, working with the other agencies, can build on this experience and play an important role in our national effort to achieve the capability for energy self-sufficiency.

115 Memorandum About Energy Conservation Policy in Federal Land Use. April 19, 1974

Memorandum for Heads of Departments and Agencies:

You are hereby directed to consider the national effort to achieve the capability for energy self-sufficiency in all decisions affecting real property, including acquisition, management and disposal; to the end that energy conservation, and energy production, and energy transmission shall be enhanced by environmentally sound land use decisions. The Administrator of the General Services Administration, in cooperation with the Secretary of the Interior and the Administrator of the Federal Energy Office, shall review all pertinent Federal regulations to ensure that they are consistent with this policy. The Administrator of the General Services Administration shall submit proposed amendments to such regulations to the

Federal Property Council within 90 days.

All executive agencies with real property holdings are directed to cooperate with the Administrator of the General Services Administration in making Federal surplus real property available, to the greatest extent practicable, for energy facilities. The Administrator of the General Services Administration and the Administrator of the Federal Energy Office shall make necessary arrangements to ensure that energy site needs are considered, along with other competing needs, in the disposal of surplus real property under existing laws and regulations. The term "surplus property" means "surplus property" as defined in section 3(g) of the Federal Property and Administrative Services Act of 1949 [40 U.S.C. 472(g)].

RICHARD NIXON

116 Exchange of Remarks on Receiving Diplomatic Credentials From the Egyptian Ambassador.

April 19, 1974

THE PRESIDENT. These are your credentials, Mr. Ambassador?

AMBASSADOR [ASHRAF 'ABD AL-LATIF] GHORBAL. These are my credentials, Mr. President, and it is a great honor for my country to present them to you today.

THE PRESIDENT. Here is my response, Mr. Ambassador, and I want you to know, and I want you to inform President [Anwar el-] Sadat, that this is a day I have looked forward to from the time I entered this office.

I have felt that it was a great tragedy for both our countries that our relations did not exist, due to events that we are all aware of in the sixties. I realize, too, that we are entering a period that is vitally important in terms of building not just a temporary but a permanent peace in the Middle East, which will mean that your people will move forward in peace rather than to have the plague of war, which has plagued so many of the countries there over and over again.

And I want to say personally that one of the reasons I have welcomed the opportunity to receive your credentials is that in 1963, at a time when we did have relations, which was before the June war, my wife and I visited Egypt with our two daughters, and we shall never forget not only the great historical monuments which go back further than any in the world, but we will never forget the friendship. We look forward some day to coming again.

AMBASSADOR GHORBAL. Mr. President, I am overwhelmed. I am deeply honored. I am sure I grace everyone in Egypt when I say this is equally a great

day for each of us, for we are today ending the estrangement and looking ahead to a rapprochement of cooperation and good friendship.

The people of Egypt remembered very well and remember very well the visit of you, Mr. President, and Mrs. Nixon. Sixty-three has been long back. It is high time we welcome you back, Mr. President, and we look forward to your visiting Egypt very soon. I know that President Sadat and Mrs. Sadat are anxious—so are the people of Egypt—to welcome you back.

You have done admirably in bringing about the beginning and, we hope, the continuing process of establishing permanent peace in the Middle East. We salute your efforts. We want this cooperation continuously, not only after peace is achieved but even beyond.

You have done tremendously. We look forward to your doing tremendously, and I want to thank you, Mr. President.

THE PRESIDENT. Mr. Ambassador, in conclusion, you have spoken of what we have done. Let me say that I should put it in the plural, together our two nations have worked out, difficult problems in these past months involving, of course, the disengagement.

And it is together, economic ways and others, that we can move forward for not only progress for your country but for all of your neighbors, which I know President Sadat wants.

Thank you.

NOTE: The exchange of remarks began at 12:10 p.m. in the Oval Office at the White House.

117 Message to the Congress Transmitting Annual Report
of the National Endowment for the Arts and National
Council on the Arts. *April 22, 1974*

To the Congress of the United States:

It is my great pleasure to transmit to the Congress the Annual Report of the National Council on the Arts and the National Endowment for the Arts for fiscal year 1973.

The cultural heritage of this Nation—enormously rich and diverse—is a strength to millions of Americans who turn to the arts for inspiration, communication, and creative self-expression.

This annual report reflects the vital role which the Government performs in making the arts more available to all our people, by encouraging original fresh expression and sustaining the great traditions of our past artistic accomplishments.

The National Endowment for the Arts has an exceptional record of achievement in advancing the broad artistic development of this Nation, reaching into every State and special jurisdiction. Its funding at \$38,200,000 in fiscal year 1973 was nearly a third more than the previous year, and with these additional monies the Endowment was able to continue and expand critically important support for our orchestras, operas, theatres, dance

companies, and museums as well as encourage our artists, and open new opportunities for talented young actors and performers.

With the Bicentennial near at hand, the creative gifts of our artists and the production and presentation skills of our great institutions will be indispensable components of the national celebration. Through the arts we will be able to express most fully the ideals of this Nation.

I hope that every Member of the Congress will share my enthusiasm about the many meaningful achievements of the National Council on the Arts and the National Endowment for the Arts and will continue to support the Endowment with the resources needed to sustain the cultural heritage of the Nation, and give it abundant opportunity for growth.

RICHARD NIXON

The White House,

April 22, 1974.

NOTE: The report is entitled "National Endowment for the Arts and National Council on the Arts—Annual Report, Fiscal Year 1973" (Government Printing Office, 122 pp.).

118 Message to the Congress Transmitting Annual Manpower
Report of the President. *April 22, 1974*

To the Congress of the United States:

As required by section 107 of the Manpower Development and Training Act of 1962, as amended, and by section 605 of the Comprehensive Employment and Training Act of 1973, I am sending to

Congress the twelfth annual Manpower Report of the President.

When I signed the CETA into law on December 28, 1973, I expressed considerable gratification with the new legislation, noting that it represented "a signifi-

cant shift in intergovernmental responsibilities.” The Manpower Report I am sending you today provides important new information concerning the step-by-step implementation of this long-needed transfer of manpower program planning and design responsibilities to units of government which are best equipped to measure and meet local needs. From now on, State and local governments will be able to decide for themselves what kind of manpower services they require, for how long and in what quantity—and I am convinced that they will be able to provide such services more efficiently and more promptly than was possible under the preceding system of federally-managed categorical programs.

Among other important topics discussed in this report is the energy shortage and the measures taken by the Department of Labor and other agencies of Government to minimize the temporary disruptions of the labor market caused by the energy crisis. The report reveals that, in spite of these disruptions, 1973 was a good year

for labor. The number of those employed as of December numbered nearly 86 million. In the past 2 years alone, over 4.1 million Americans entered the labor force, including significant numbers of women and younger workers. While the unemployment rate has moved upward temporarily after many months of steady decline, we should not overlook the sizable increases during the same time-span in the number of new jobs and newly employed Americans.

For the convenience of the Congress, this edition of the Manpower Report brings together in one volume an overview of numerous manpower activities carried out under separate legislative mandates.

RICHARD NIXON

The White House,

April 22, 1974.

NOTE: The message is printed in the report entitled “Manpower Report of the President—Including Reports by the U.S. Department of Labor and the U.S. Department of Health, Education, and Welfare, Transmitted to the Congress April 1974” (Government Printing Office, 387 pp.).

119 Special Message to the Congress Transmitting Proposed Legislation for Funding of Foreign Assistance Programs in Fiscal Year 1975. April 24, 1974

To the Congress of the United States:

For more than twenty five years, America has generously provided foreign assistance to other nations, helping them to develop their economies, to meet the humanitarian needs of their people and to provide for their own defense.

During this era foreign aid has become an indispensable element of our foreign policy. Without it, America would risk isolating herself from responsible involve-

ment in an international community upon which the survival of our own economic, social and political institutions rests. With the continuation of a healthy foreign aid program, this Nation can continue to lead world progress toward building a lasting structure of peace.

Now that we have ended the longest war in our history and no American troops are serving in combat for the first time in more than a decade, there is a temptation

to turn inward, abandoning our aid programs and the critical needs facing many of our friends in the process.

We must not succumb to that temptation. If we lay down the burden now, we will foreclose the peaceful development of many of the nations of the world and leave them at the mercy of powerful forces, both economic and political. Moreover, we will deny ourselves one of the most useful tools we have for helping to shape peaceful relationships in the most turbulent areas of the world.

Many of the nations which were once dependent upon our direct assistance for their survival are now managing their own economic and defense needs without our aid. Those nations which still need our aid will not need it indefinitely. We expect those nations we help to help themselves. We have made it clear that we do not intend to be the world's policeman, that our aid is not a substitute for their self-reliance, and that we do not intend to do for others what they should be expected to do for themselves.

But as long as there are governments which seek to change the frontiers and institutions of other nations by force, the possibility of international conflict will continue to exist. And as long as millions of people lack food, housing, and jobs; starvation, social unrest and economic turmoil will threaten our common future.

Our long-range goal is to create an international environment in which tolerance and negotiation can replace aggression and subversion as preferred methods of settling international disputes. While this goal is not as distant as it once was, present circumstances do not now permit reduction in foreign assistance. We must

not only maintain our efforts, but also make special efforts in two critical areas of the world—the Middle East and Indochina.

In the Middle East, we have an opportunity to achieve a significant breakthrough for world peace. Increased foreign aid will be a vital complement to our diplomacy in maintaining the momentum toward a negotiated settlement which will serve the interests of both Israel and the Arab nations.

In Indochina our assistance is no less critical. South Vietnam, Cambodia, and Laos are trying to make the difficult transition from war to peace. Their ability to meet their defense needs while laying the foundations for self-sustaining social and economic progress requires continued and substantial amounts of American aid.

To meet these continuing and special needs, I am proposing to the Congress a total foreign aid budget of \$5.18 billion for fiscal year 1975. In my judgment, these amounts represent the minimum which the United States can prudently afford to invest if we are to maintain the present degree of international equilibrium and advance our efforts to construct a durable peace with prosperity.

TOWARD PEACE IN THE MIDDLE EAST

The hope for a lasting solution to the Arab-Israeli dispute is stronger today than at any time in the previous quarter century. American diplomatic initiatives have helped create the conditions necessary for an end to conflict and violence. While our diplomatic efforts must and will continue, there is already much that can be done

to supplement and consolidate what has been achieved so far. I am therefore requesting a Special Assistance program for the Middle East, and have asked the Congress to provide the following:

- For Israel: \$50 million in security supporting assistance and \$300 million in military credit sales. Israel's continued ability to defend herself reduces the prospect of new conflict in the Middle East, and we must continue to assist her in maintaining that ability.
- For Egypt: \$250 million in supporting assistance. These funds would be used for the tasks which come with peace: clearing the Suez Canal, repairing the damage in adjacent areas, and restoring Egyptian trade.
- For Jordan: \$100 million in military assistance grants, \$77.5 million in security supporting assistance, and \$30 million in military credit sales. Jordan has been a moderating force in the Arab world and these funds will enable her to maintain a position of moderation and independence which will be crucial to a permanent settlement in the area.
- For a Special Requirements Fund: \$100 million. This fund will be used for new needs that may arise as the outlines of a peaceful settlement take shape, including provision for peace-keeping forces, refugee aid or settlement, and development projects.

All of this aid will contribute to the confidence these nations must have in the United States and in their own security if they are to have the base from which to negotiate a lasting settlement. It will strengthen moderate forces in an area where only moderation can form the basis for a settlement acceptable to all.

TOWARD RECONSTRUCTION OF INDOCHINA

Another area of acute and continuing concern to this Government is Southeast Asia. Our aid in Indochina is no less crucial than our aid in the Middle East in achieving a peaceful outcome which protects our interests and reflects our past involvement in these two areas. I am asking the Congress to authorize the appropriation of \$939.8 million to assist South Vietnam, Cambodia and Laos in their efforts to shift their economies from war to peace and to accelerate the reconstitution of their societies.

We have already invested heavily in these countries. Progress has been significant, and we are nearing success in our efforts to assist them in becoming self-sufficient. Although our total request is higher than last year, the budget I am proposing is actually austere. We must recognize that a modest increase in economic assistance now will permit the development of viable, self-supporting economies with lower requirements for assistance within a few years.

The South Vietnamese face an unusually difficult task in reconstructing their economy and caring for their war-torn population even as the effort to end hostilities goes forward. Progress in reconstruction, economic development and humanitarian programs, which offer the hope of a better life for the people there, should make it clear that a peaceful settlement of political disputes is in the interest of all.

This year and next the South Vietnamese face several related challenges which make increased U.S. economic assistance essential:

- They must resettle more than a million refugees and displaced persons.

—They must provide the investments needed to create productive jobs for the several hundred thousand who have lost jobs with the withdrawal of U.S. forces.

—They must meet the much higher costs of such essential imports as fertilizer and other critical resources caused by worldwide inflation.

—They must provide for the orphans, the disabled, and for widows who can never recover their wartime losses.

—They must continue to support the military forces needed to preserve movement toward peace so long as hostile forces continue to be deployed within South Vietnam and supported from outside.

The South Vietnamese have made laudable efforts to solve their own problems. They have increased their taxes—a 40 percent increase in real terms in 1973. They have expanded their exports, which were virtually eliminated by the war—doubling exports in 1972 and again in 1973. They have sharply reduced the consumption of imported goods, including a notable reduction in petroleum. But after more than a decade of war, they cannot reconstruct their economy and their society alone. Increased U.S. assistance is needed now to support the increasing efforts of the Vietnamese to achieve peace and self-sufficiency as soon as possible.

In Laos, a peaceful political solution to the conflict is in motion and the people there can finally look forward to a secure and stable environment. The problems of resettling refugees and establishing a viable economy, however, will provide a major test of the Laotian government's ability to work in the interests of all. Our continued assistance is essential to permit this underdeveloped, land-locked

country to reconstruct its economy after so many years of war.

Continued U.S. assistance is also essential to alleviate the hardships facing the Cambodian people, many of them refugees with little opportunity to support themselves until hostilities subside.

The investment I am now seeking—an investment to sustain the peace, to overcome the human suffering resulting from the war, and to give the people of Indochina a chance to stand on their own feet—is small in comparison with what we have committed over the years in Indochina. But the potential return on this investment is large in enhancing the prospect of peace both in Indochina and around the world.

DEVELOPMENT ASSISTANCE

U.S. assistance programs—both bilateral and multilateral—have made a very substantial contribution to the economic growth of the developing nations over the past decade.

In spite of encouraging progress, it is estimated that 40 percent of the total population in all the developing countries still remain trapped in conditions of poverty beyond the reach of the market economy. These people continue to exist below minimal levels of nutrition, literacy, and health.

It is clear that in the modern world, peace and poverty cannot easily endure side by side. In the long term, we must have peace without privation, or we may not have a durable peace at all. All that we have worked, and fought, and sacrificed to achieve will be in jeopardy as long as hunger, illiteracy, disease, and poverty are the permanent condition of 40

percent of the populace in developing nations of the world. But the progress which we have been able to help bring about thus far demonstrates that this need not be a permanent condition. Our developmental assistance continues to be needed to maintain and expand this record of progress.

To provide this needed assistance I am asking the Congress to authorize for fiscal year 1975 the appropriation of \$255.3 million for functional development assistance programs in addition to the \$618 million already authorized by last year's Foreign Assistance Act.

These additional funds will permit the Agency for International Development to assist developing nations in increasing food production. The widespread hardship caused by recent pressures on world food supplies calls for greater efforts by all to raise agricultural productivity. Population growth combined with recent crop failures in many parts of the world have led to the lowest grain stock levels in many years as well as high prices. In some cases, famine is threatening entire populations, and the world shortage of food makes it difficult to provide the assistance needed to avert tragedy. But food aid alone does not provide a solution. Developing nations must increase their own agricultural productivity, and almost 60 percent of AID's development assistance programs will be aimed at achieving this goal.

We will continue to reorient our development assistance programs, as jointly endorsed by the Congress and the Administration, to concentrate more directly on acute human problems in poor countries. AID will thus focus on providing family planning and basic health services,

strengthening education and other human resource programs, increasing food production, and improving nutrition.

A strong bilateral U.S. foreign aid program can be fully effective, however, only if it is complemented by continued, active multilateral assistance efforts. Pending before the Congress is legislation to authorize United States contributions of \$1.5 billion to the International Development Association (IDA). Appropriations for those contributions will be spread over a number of years beginning in 1976.

The International Development Association has a 14-year history of excellence in providing development loans to the poorest nations. We have negotiated a reduction in the United States share of the total contributions to IDA from 40 percent to 33 percent, thereby shifting additional responsibility for international lending to other nations. It is inconceivable that the United States should abandon such a successful international activity, and I urge the House of Representatives to reconsider its recent vote denying the IDA authorization. Such a step would constitute a false economy in violation of the very principles toward which we would hope to move in providing foreign development assistance.

Also pending is legislation to authorize contributions of \$362 million for the ordinary capital and \$50 million for the special resources of the Asian Development Bank (ADB). The performance of the IDA is being matched today by the newer Asian Development Bank. The African Development Fund of the African Development Bank has excellent prospects of playing an increasingly critical role in a continent whose need has been most recently highlighted by severe drought.

It is imperative that these authorizations as well as those for our bilateral programs be enacted. It is equally imperative that appropriations be enacted in the full amount necessary to fulfill our responsibilities in these institutions and in the Inter-American Development Bank, for which authorizing legislation has been enacted.

The United States is currently engaged in negotiations relating to international monetary and trade reform. It should be recognized that less developed nations will play an important role in the success of these important initiatives. These nations will look to the United States to continue our leadership in the development assistance field as well as in trade and monetary reform.

SECURITY ASSISTANCE

The security of our allies and of nations friendly to us is an essential consideration in the foreign and national security policies of the United States. Not all are capable of providing for their security, and our assistance enables those countries to assume primary responsibility for their own defense. It gives them the confidence to negotiate with potential adversaries from a position of strength and to resist subversion and intimidation. The effectiveness and wisdom of these policies is being proven today in the Middle East and Southeast Asia.

There can be no real peace in the world so long as some governments believe that they can successfully obtain by force or threat of force what they cannot obtain by peaceful competition or negotiation. Our security assistance programs reduce the likelihood that such calculations will

be made and thereby increase the incentives to resolve international disputes by peaceful means.

Just as security assistance can ease the impact of large and unexpected defense burdens on the economies of friendly nations, it can also strengthen their economies and thereby allow a greater use of military sales credits as opposed to grants. We need a flexible military credit sales program to encourage and facilitate the self-reliance of friendly states and to help gradually reduce the cost to the United States of providing security assistance.

I am asking the Congress to authorize the appropriations for fiscal year 1975 of \$985 million for grant military assistance, \$555 million for foreign military sales credits to finance an \$872.5 million program, and \$385.5 million for security supporting assistance.

CONCLUSION

The United States has only recently emerged from more than a decade of direct involvement in a long, bitter, and costly war. It is not remarkable that we should see a strong sentiment in the land for giving up the difficult duties of world leadership. But temporary sentiment must not obscure the long-range interest of our Nation.

The percentage of America's gross national product dedicated to foreign assistance is small. It is less, indeed, than that of some other nations. But it is a wise investment, undertaken with bipartisan support in the interest of our own Nation, in the interests of our historical role as a generous and courageous defender of freedom and human rights, and in the interests of world peace.

With our assistance, other nations have reached a point where they can share this burden. But we have not yet reached the point where we can safely lay it down.

The amounts I am requesting for fiscal year 1975 are the minimum essential to support the responsible and constructive American role of international leadership and cooperation, a role which it is in our

national interest to continue and strengthen.

RICHARD NIXON

The White House,
April 24, 1974.

NOTE: On the same day, the bipartisan Congressional leadership met with the President at the White House to discuss proposals contained in the foreign assistance message.

120 Statement on the Death of President Franz Jonas of Austria. *April 24, 1974*

WITH the death of President Franz Jonas, Austria has lost one of her great postwar leaders, Europe has lost one of her foremost statesmen, and the cause of world peace has lost a courageous defender.

The people of the United States join me in extending our deepest sympathy to the people of Austria.

NOTE: President Jonas, 74, was President of

Austria from 1965 until his death in Vienna, Austria.

James Roosevelt served as Personal Representative of the President and head of the U.S. delegation at funeral services in Vienna on April 29, 1974. Members of the delegation also included Representative Guy A. Vander Jagt of Michigan; John P. Humes, United States Ambassador to Austria; Hobart D. Lewis, executive director and president of Reader's Digest; and John Safer of Washington, D.C.

121 Remarks at the Annual Convention of the Mississippi Economic Council, Jackson, Mississippi. *April 25, 1974*

Governor Waller, all the distinguished guests on the platform, all of the distinguished guests in this audience, and all of those who, I understand, are outside and are able, not to be here, but can hear on the loudspeakers:

In answer to that very generous introduction by the Governor of this State, I can only say that I am proud to be the first President in history to address the Mississippi Economic Council, and after this kind of a reception, I am sure I won't be the last one to do it.

As a matter of fact, as I looked at this

huge auditorium, I thought I had never spoken in a place where I had so many people behind me.

And I want to pay tribute, incidentally, to not only the members of the council who are going to have lunch, I understand, if I don't speak too long, but also to your many guests, I understand, from the high schools, the colleges, the other fine institutions. Particularly, I thank the Mississippi State University band for playing "Hail to the Chief."

Just so I don't get in any trouble with some of the other colleges and univer-

sities—I know places like Millsaps—I went to school with a fellow from Millsaps. And believe me, as a Washington Redskins fan, I know what Archie Manning did to us in the New Orleans Saints game. And to all of those in this great State, whether it be from “Ole Miss” or Mississippi State or one of the other universities or colleges, let me say, if you ever find a good quarterback who can throw and who can run and who is young, call me, not George Allen. We need that kind of a quarterback or fullback.¹

This also gives me an opportunity, in responding to the Governor, to pay tribute to the Mississippi delegation in the Congress of the United States. Sometimes, those who are served by their Senators and Congressmen have to be told by someone from outside what really great men they are.

I want you to know that having served with these men for 5 years—most of them—I can say that no State in the Union is represented by men in the Congress of the United States who more vigorously speak up for their States and for the Nation than has the State of Mississippi.

Senator Jim Eastland, the President pro tem of the Senate, as you know, the fourth ranking office in all of this great country.

Senator John Stennis, when they write profiles in courage, he will be there.

And since I can't mention all of the bipartisan delegation in the House of Representatives, I will just refer to my good friend, Sonny Montgomery. And

having said “bipartisan,” let me tell you something about this delegation that I have seen through the years.

I have found that we have had many very, very strong, tough votes and debates over these years when America's power was being tested, but more important, America's character and America's will and its determination and its sense of destiny. And I can assure you that whenever the issue was the honor of America or the strength of America or respect for America, Mississippi spoke as one voice for America and not for any one party.

And in these times, that is the kind of representation that we need in the Congress, in the Senate—be it Democrat or Republican. In these times, you can be proud that you have that kind of representation.

I realize that this is an anniversary for you, too. This is the 25th anniversary, I understand, of the Mississippi Economic Council. And on such an occasion, a proper theme, therefore, is for me to not only look back but also to look forward to the next 25 years.

And particularly for those who are younger, those who will be the new Senators and Congressmen 15, 20, 25 years from now, for all of those who have your lives ahead, let's look back a moment and see where we have come and where we have been and how we have withstood the trials that we have been through.

I remember the end of World War II. We came out of that war, and we thought, with the United Nations, with all that the world had been through, that this would be a new era of peace, and yet it was not. In these past 25 years, this Nation has gone through two very difficult and very unpopular wars—first in Korea and then in Vietnam. And in these past 25 years,

¹ Archie Manning was quarterback for the New Orleans Saints professional football team. George H. Allen was head coach and general manager of the Washington Redskins professional football team.

this Nation has gone through five recessions—not depressions, but recessions—in which the economy did not produce at full production.

And in this period of time, particularly in the years of the sixties, this Nation has gone through a period of unrest—social unrest, racial unrest—in which, at times, there were explosions on our college campuses and our university campuses and in our cities. And over and over again in those 25 years, if you read the newspapers and the magazines and listened to television, you would hear those who said, “America has seen its greatest days. America cannot see itself through this crisis. We cannot go on to be a great nation. We are tearing ourselves apart.”

Those were the pessimists, but they were wrong. They were wrong then, and they are wrong today. America’s greatest days are ahead of us, because it is not the easy times that test either an individual or a nation, it is the hard times. And America has withstood the hard times and has come through even stronger each time.

And so today, I want to address this great audience on two subjects—one of which is particularly of interest to you because of the nature of your organization—where our economy is and where it is going. And the other, which should be of interest to all of you because of our concern about the future of our young people and of the next generation, and that is, what are the chances to keep the peace that we now have after so many years of war.

Let me look at the economy a minute with you. And I am sure out here in this audience we have lots of experts who may have differing views about it. I can only give you the best judgment that I have

from the economic advisers, not only from the Administration but from outside, who look at the American economy today, analyze it, and wonder where we are going. Let me put it in perspective by saying this:

When we talk about the difficulties America has been passing through, the energy crisis, the inflation that we have had, due primarily—two-thirds of it in 1973 was as a result of higher food prices and higher energy costs—when we look at those difficulties, we think we are the nation that has the most difficult time, and they are difficult times in that respect.

But when I was in Paris just a couple of weeks ago, I had the opportunity to meet the leaders of great nations and small nations, the Prime Minister of Great Britain, the President and Prime Minister of Italy, the Chancellor of Germany, the President then of France, who succeeded temporarily, until the new election is held, President Pompidou, and of course, the President of the Soviet Union, Mr. Podgorny, and in addition 35 other heads of government and heads of state. And as I talked to each of them, I want to tell you I learned one thing: We have problems, but there is not one of them who would not trade his problems for whatever problems we have.

America today has more opportunity, more prosperity, more freedom than any nation in the world.

Now, ladies and gentlemen, that does not mean that we look at the problems of inflation, the problems of energy, the others which confront our Nation and say, “Well, whatever they are, there are other nations that have it worse than we have.”

That isn’t enough. That isn’t the American way, because when we have prob-

lems, we analyze them and we do something about them. That is the American spirit. It is what made this country in the beginning, has kept us going throughout our 200 years, and will keep us even greater in the future.

So, let us examine, first, the problem of the economy, where it is. As we know, in the first quarter of this year, we have had an economic downturn, primarily related to the problems of energy and also characterized by inflation, inflation which began in '73 due primarily again to energy, as I have indicated, and to higher food price costs.

Under these circumstances then, as we look at our economy, we wonder, what is the prospect for the second quarter, for the third quarter, for the fourth quarter. And here it is as we see it today:

First, the problem of inflation is a most nagging one. That problem, however, is not going to be solved by putting this economy under the straitjacket of Government controls from Washington, D.C. That would be an awfully easy answer for a President to give.

But we have tried that way, not only this Administration and others. And it works for a time, but in the end we pay a bigger price in higher prices. That problem also is not going to be solved by simply spending more, because while you can spend more yourself into an inflation, you can't spend yourself out of inflation.

So, that means as we look at the problem of inflation, that whenever we make decisions in Washington with regard to what your Government spends for the Federal budget, that affects your family budget. We must spend what is necessary to keep our economy on the move. We must spend what is necessary to deal with such problems as disasters, that the Gov-

ernor has referred to, and we will. But I can assure you, too, that we will be responsible, responsible because we must remember that a sound policy in Washington, where the Government spends only what is necessary and not more, is essential if we are going to be able to control the fires of inflation that presently are eating away at us.

What, then, is the answer, long-term, as far as inflation is concerned? You know what it is: more production—more production of food—and here the prospects are good. A record agriculture year in which Mississippi, a great agriculture State, now primarily an industrial State—which is an indication of a change in 25 years that has occurred in this State—Mississippi is playing its great role in that respect. And so, that means that as we have more production of food, that the rise in food prices will tend, as we go through the balance of the year, to level off. That is one good sign for the future.

And then the other problem is that of energy. Here again, it is a problem of whether or not we have the supplies to meet the demand.

The other day I was talking to the Chancellor of Germany. I was asking him how much it costs for a gallon of gasoline in Germany. He said, "\$1.40 and we are willing to pay it." Now, of course, as far as we are concerned, we believe the prices we pay for gasoline are too high now because of what we have been through in the past, and they are.

We believe that some of the profits that are made are windfall profits and that the Congress should tax them, as I believe the Congress eventually will, but let us remember this, too:

The answer to getting our energy prices under control is to produce more, and

that is why it is essential for the Congress to deregulate natural gas so that we can have more gas all over this country and reduce the price of energy for all Americans.

That is why we have also called upon the Congress to change the environmental restrictions, temporarily at least, but long enough so that the investment will be worthwhile, so that we can extract and use the resource which we have two-thirds of the free world's, and that is our coal resources, which are in the ground.

They are there, they should be mined, they should be used, and that will help on the energy problem. That is why we should move forward, not only in these two obvious areas but in also developing our own oil and gas reserves, wherever they may be, on Federal property or otherwise.

And that is why, looking down the road, we should develop our great sources of nuclear power which, in the years to come, will replace some of these other elements of power. We, the Nation that found the secret to the breaking of the atom, are far behind in this area. It is time for us to go forward on it, because the generation of the future will bless us for having done so.

That is why we must go forward with legislation that will allow the development of deepwater ports so that when we import, we can import adequately, at adequate prices and reasonable prices, the fuel that we need.

Now, I do not say this to lecture my friends in the Congress who are behind me, because I believe all of them support these proposals that I have made. I do not say this in order to lecture the Congress, but I only say this: We have a great goal

in mind. And that is this: Let America never go through again what it did in October or November last year when some other nation was able to cut off our energy. Let us be independent of any other nation where that is concerned.

That does not mean that we won't be glad to purchase their energy at proper prices in the years ahead, and we shall. But it does mean that a nation that has the resources in the ground, that has the resources also in its technology—I am referring to nuclear power, for example—that when we have the resources to be independent of any other nation, let's say that we shall be independent in 1980, and we will do it. That is a great goal for America and one we can achieve.

Now an economic prognosis for the balance of the year: First quarter showed a dip, primarily energy-related. Second quarter predictions are we will level off. Third quarter, fourth quarter, the economy will begin to move forward again.

What is this based on? It is based on the fact that except for two very major items, automobiles and housing, this economy is enormously strong. It is strong, for example, in the agriculture area. It is strong in many other consuming and producing areas. But in automobiles and housing, we have had the downturns to which I have referred and which are a primary cause of the problem we presently have.

But what are we finding now? Automobile production is beginning to go up, not fast, but the predictions toward the end of the year are for a good automobile year—not the best, but a good one. Housing starts are beginning to go up, not as much as we would like, but I will announce within 2 weeks programs of Federal activity in this area which I think

will stimulate that industry which is so essential to a strong and prosperous America.

So, that is why today I will say to you in making the prognosis on the economy, we have been through what I believe is the lowest point in the downturn. We now can look forward to the leveling off. Toward the last half of the year we will see this economy moving forward again and moving upward.

The major problem is inflation. That we will all have to fight together. And we shall fight it through more production, we shall fight it by keeping down the costs of Government where we can, and we shall fight it also through responsible policies in the dealings between labor and management. And I see the year 1974, at the end—and now it is very difficult for us to look that far ahead—but at the end that we will look back and say '74 was not our best year, as were '72 and '73, but it was a good year. I will say and I will flatly predict that '75 will be a very good year. And I say today that '76, the 200th anniversary year for America, will be the best year in America's history, the most prosperous, the most free, not only in terms of prosperity, however, and freedom and opportunity for all of our people—a great goal that you are working for here in Mississippi and that we must all dedicate ourselves to—but it will be a year in which America will not only be prosperous but will have prosperity without the cost of war, and that is a great goal. We can achieve it by the year 1976.

Now, having referred to prosperity without war, let us take an overview of the world for a moment, see where we have been, where we are, and where we are going.

We have just ended the longest war in

America's history, 12 long, difficult years. For the first time in 25 years, no young American is being drafted for the armed services, and everyone is indeed thankful for that.

But let me say, I would hope that Mississippians, who have been in the forefront always in fighting the battles for this country as volunteers, will, many of them, make the decision to serve as volunteers in our Armed Forces, the peace forces. We need you, and it is a proud service to be in, whether it is the Army, the Navy, or the Air Force of the United States of America.

And finally, with regard to the long and difficult war through which we have been, how we ended it was important. I know that sometimes people say it didn't make any difference, just get it over. But America had to end it in a way that we did not lose the confidence of our allies, the respect of those who were our adversaries, and at least some feeling of respect from those who were the neutrals. And that is why ending it in a way that the people of South Vietnam have an opportunity to choose their own way without having a Communist government imposed upon them against their will—that was right. We can be proud of it.

We can be proud of the young men who served for that cause and achieved it, and we can be proud, too, that for the first time in 8 years, every American POW has returned from abroad and is at home. And as one of them said when he came home, standing tall and erect—he said, "Thank God we came home on our feet and not on our knees." We can be proud of that fact as well.

But ending a war is not enough. That has been the American failure in this century. We fight wars and fight them well when we have to do so, although we

love peace. But we ended World War I, and then we thought we were going to have peace, and the sons of those that fought in World War I had to fight in World War II.

And then we thought we had peace after that long and difficult war. And the younger brothers and even the sons of some of those who fought in World War II fought in Korea.

And then when that war was ended by President Eisenhower in 1953, we thought, "Well, now this must be the last one in this century." But the younger brothers of those that fought in Korea, and even some of their sons, fought in Vietnam.

We must not let this happen again. And that, Governor Waller, as you said so eloquently in your introduction, is what our foreign policy is about today.

Why do we talk to the Soviet Union leaders? Why do we talk to the leaders of the People's Republic of China? Because we agree with their philosophy? No, they don't like our philosophy; we don't like theirs. But taking, for example, China, one-fourth of all of the people in the world live in China. They are among the ablest people in the world. They are not a super power today. They will be, 15 years from now. And far better to have the United States talking to them now than waiting until then. That is why the opening to China is so important to peace in the world—not just now but in the generations to come.

Why do we talk to the leaders of the Soviet Union when we are both now approximately equal insofar as our nuclear power is concerned? Not because we agree in all of our interests around the world, because some places they are adverse to each other, and not certainly, as I have

indicated, because our philosophies are the same, because they are not, but because both sides recognize a simple fact of life: that the leader of America—whoever he is—and the leader of the Soviet Union—whoever he is in the foreseeable future—if he ever resorts to the use of nuclear war, will be committing, in effect, national suicide for his own country.

That must not happen, and that is why we are negotiating a limitation on nuclear arms. That is why we are trying to negotiate, in addition, a limitation on and a reduction of forces in Europe, on a mutual basis.

Having referred, however, to these things, let me say that in order for the United States to play this role, a great and a proud role of peacemaker in the world, in order, for example, for us to play the role that we are playing in the Middle East, where in that troubled area of the world that has not known peace for 25 years—they have had four wars in 25 years; as a matter of fact, it probably hasn't known it for 1,000 years—the chances that our initiatives there to bring an era of peace to that troubled area of the world will depend on America's leadership.

And let me tell you what that leadership entails. First, it entails strength. I refer, first, to military strength. By that, I do not mean military strength in terms of the arrogance of power in which we attempt to push others around. That is never the way we want to use it. We can be proud that in the wars that we have fought in this century, we have never used our strength to destroy freedom, but only to defend it. We have never used our strength to break the peace, but only to keep it. And the other nations of the world know it.

Strength in the hands of America is a good thing for those who love peace in the world, and let's keep America strong.

And I would strongly urge, never send an American President to the conference table with any other leader of the world as the head of the second strongest nation in the world. Let that be a goal for Americans to remember, too.

It requires also, if we are to exert this kind of leadership that will build a generation of peace, economic strength. I have referred to that already. And that economic strength is going to come. It is going to come from depending not on government enterprise—government plays a role—but on private enterprise. That is why, for example—if I may use just one example in a field not completely related to your businesses—as far as medical care is concerned, we need a new program, one in which everyone in this country who needs it will have health insurance, but in which no one is forced to have it if he doesn't want it.

But also, let's have a program that does not raise taxes. Let's have a program that is not run by the Federal Government, because when I have a doctor, I want that doctor working for me and not for the Federal Government.

Putting it in a larger perspective, let's look at energy. You have heard about our Government energy program. It will cost \$15 billion. We are going to put at least that much in it over the next 3 to 5 years, and that sounds like a very big program.

That is bigger, we can say, than the Manhattan Project. It is as big as the space project. But that isn't really the whole of it. It is only the tip of the iceberg. Because, while the Government will be spending \$15 billion, did you know that over the next 10 years, private enterprise,

to achieve our goal of becoming independent as far as energy is concerned, private enterprise will be spending \$500 billion. That is many times bigger than the Manhattan Project and the space project put together. It will give an enormous boost to the American economy.

So, the prospects for the future, as I say, for those who are young and look ahead for jobs, for more opportunity, they are good. They are good because this Nation has the right kind of an economic system. Let's never forget that, and let's never displace it. They are good because this Nation is strong in terms of its vision, and I believe this is true about the future. And that brings me to the third element of strength that is so important.

As you look over the pages of history and see what has happened to the great civilizations of the past, an ironic fact stands out and is repeated over and over again: The great civilizations of the past, and you have seen, many of you, the ruins in Athens, you have walked, as I have, at night in the Forum at Rome, and you wonder, why did it happen? And whether it was Rome or Greece or some of the other great civilizations, the ironic thing is that they decayed and they fell not when they were poor, but when they were rich; not when they were supposed to be weak materially, but it was at a time when they were strong. In other words, the time of greatest danger for a great country and society is when it is very wealthy, as we are, when it is very strong, as we are, because the tendency then is for a country to become soft, to become complacent, to turn inward from the thrust toward greatness that brought them where they were.

We must not let this happen to America. And I will tell you why it cannot and

it will not happen. It cannot and it will not happen because in addition to our military strength and economic strength, the character of the American people, the spirit of the American people is strong.

I can assure you that is the case, whatever the handwringers and the doom cryers say. It is strong all over this country, and it is strong here in Mississippi.

What kind of a spirit is it? The Governor referred to that visit to Gulfport. I remember it very well. It was in 1969. I was returning from California. The war then in Vietnam had just reached its peak, and we were beginning to develop the long process that finally brought it to an end.

And someone from Mississippi, I think the two Senators and Congressmen, called and said, "Can't you stop down at Gulfport and give those people a lift?" And so our plane dropped down at Gulfport. I remember it was in the dusk of the evening, and there were tens of thousands of people there.

And you know what? They told me I was supposed to give them a lift. They gave me a lift. They were wonderful people. I remember one man I talked to—you know, you would like to talk to everybody, but you can only talk to a few. As I went down the line shaking hands—he was a young man, a farmer, obviously. He was holding his little girl in his arms.

She was about 6 years of age. I will tell you how I can guess. She had two teeth out in front. And I said to him, "Well, how are you doing?" He said, "Well, I lost my home, I lost my barn, I lost my car, I lost my tractor, but," he said, "I got my wife, I got my little girl, and," he said, "I love my country, and I love my State, and I am going to see it through. We are going to come back." That is the spirit that made America.

My final remarks I address not to the older generation, who are here in such great numbers, but primarily to your sons and your daughters and to the younger generation represented in the balconies and behind me as well.

We often think that we live in the worst of times. We often think, wouldn't it be better if we lived someplace else or were born at a different time? Let me say to this younger generation, don't ever buy that, not about America, not about yourself, and not about the time in which you live, because you have a great future.

Our country is going to be and will continue to be the most prosperous. Our country will continue to have more progress and more opportunity for every person in this country, whatever his background, whatever his color or race or creed.

Our country is going to continue to have more freedom than any other country, but it has more than that. When an individual lives only for himself, he cannot be a great individual. When a nation lives only for itself, it loses whatever opportunity it has to be great.

President de Gaulle once said to me in 1963, when I visited him when I was out of office, he said, you know, France is never her true self unless she is engaged in a great enterprise.

America today—and this I say to our young people—we, you, are engaged in truly a great enterprise, not the works of war, but the works of peace. In your hands, in our hands, is the key to peace for America and for the world for generations to come. What we do or fail to do will determine the future of Americans, but also of 3 billion people on this Earth.

And the question is, will America, with all of its wealth, with all of its strength

materially, will we have the spiritual strength, the character, the stamina, the vision to lead as we must lead, whether it is in negotiating a peace in the Mideast, whether it is in negotiating a reduction in the burden of armaments in the world, whether it is in developing a dialog with those who are our adversaries, as well as with our friends? America, in order to do that, and an American President, in order to have that kind of leadership, must have the backing of a strong and a united American people.

Let me say to you, my friends, that today that is the challenge we face. Our challenge, then, is not just for ourselves alone. Our challenge is about the whole human race.

That is not original with me. Thomas Jefferson said it much better when America was very young and very poor and very weak. At the time of the signing of the Declaration of Independence, he said we act not just for ourselves alone, we act for the whole human race.

That was not true then, but he believed it. And Lincoln believed it, Andrew Jackson believed it, and I am sure Robert E. Lee believed it, and I am sure, too, Woodrow Wilson did, the other Presidents through the years.

What I am saying today is that today, it is true, there is no other nation in the free world of the great nations that has the strength, militarily and economically, to give the leadership which must be given if we are to build a world of peace.

And so, it is all in our hands, and the question is: Will we fail or will we succeed? And the answer is in your hands, and I say that answer will be: We shall not fail. We cannot fail, because Americans are a great people. We would not have come so far all across the prairies and clear over to the Pacific, we could not have survived so many disasters unless we were a good people and a strong people.

And so today, we will be strong not only materially but spiritually. And in the leadership that we will provide to the world, we will be strong, we will meet that challenge, and a day will come—I can see it now—25 years from now a President of the United States, I trust, may be standing in this very place. It will be the year 2000, a new year that comes only once in 1,000 years, and he will look back to this critical generation of ours and he will say, “They did not fail when the going was very difficult and when American leadership was so important to the world.”

But even more than that, when that year 2000 comes, if we meet the challenge that destiny has placed upon us, and if we meet it not as a burden, but as an opportunity, gladly, if we meet that challenge, then 3, probably 4 billion people on this Earth will look at America, will look at what we have done, and joining with us, they will say, “God bless America.”

NOTE: The President spoke at 12:25 p.m. at the Mississippi State Coliseum.

122 Address to the Nation Announcing Answer to the House
Judiciary Committee Subpoena for Additional
Presidential Tape Recordings. *April 29, 1974*

Good evening:

I have asked for this time tonight in order to announce my answer to the House Judiciary Committee's subpoena for additional Watergate tapes, and to tell you something about the actions I shall be taking tomorrow—about what I hope they will mean to you and about the very difficult choices that were presented to me.

These actions will at last, once and for all, show that what I knew and what I did with regard to the Watergate break-in and coverup were just as I have described them to you from the very beginning.

I have spent many hours during the past few weeks thinking about what I would say to the American people if I were to reach the decision I shall announce tonight. And so, my words have not been lightly chosen; I can assure you they are deeply felt.

It was almost 2 years ago, in June 1972 that five men broke into the Democratic National Committee headquarters in Washington. It turned out that they were connected with my reelection committee, and the Watergate break-in became a major issue in the campaign.

The full resources of the FBI and the Justice Department were used to investigate the incident thoroughly. I instructed my staff and campaign aides to cooperate fully with the investigation. The FBI conducted nearly 1,500 interviews. For 9 months—until March 1973—I was assured by those charged with conducting and monitoring the investigations that no

one in the White House was involved.

Nevertheless, for more than a year, there have been allegations and insinuations that I knew about the planning of the Watergate break-in and that I was involved in an extensive plot to cover it up. The House Judiciary Committee is now investigating these charges.

On March 6, I ordered all materials that I had previously furnished to the Special Prosecutor turned over to the committee. These included tape recordings of 19 Presidential conversations and more than 700 documents from private White House files.

On April 11, the Judiciary Committee issued a subpoena for 42 additional tapes of conversations which it contended were necessary for its investigation. I agreed to respond to that subpoena by tomorrow.

In these folders that you see over here on my left are more than 1,200 pages of transcripts of private conversations I participated in between September 15, 1972, and April 27 of 1973 with my principal aides and associates with regard to Watergate. They include all the relevant portions of all of the subpoenaed conversations that were recorded, that is, all portions that relate to the question of what I knew about Watergate or the coverup and what I did about it.

They also include transcripts of other conversations which were not subpoenaed, but which have a significant bearing on the question of Presidential actions with regard to Watergate. These will be delivered to the committee tomorrow.

In these transcripts, portions not rele-

vant to my knowledge or actions with regard to Watergate are not included, but everything that is relevant is included—the rough as well as the smooth—the strategy sessions, the exploration of alternatives, the weighing of human and political costs.

As far as what the President personally knew and did with regard to Watergate and the coverup is concerned, these materials—together with those already made available—will tell it all.

I shall invite Chairman Rodino and the committee's ranking minority member, Congressman Hutchinson of Michigan, to come to the White House and listen to the actual, full tapes of these conversations, so that they can determine for themselves beyond question that the transcripts are accurate and that everything on the tapes relevant to my knowledge and my actions on Watergate is included. If there should be any disagreement over whether omitted material is relevant, I shall meet with them personally in an effort to settle the matter. I believe this arrangement is fair, and I think it is appropriate.

For many days now, I have spent many hours of my own time personally reviewing these materials and personally deciding questions of relevancy. I believe it is appropriate that the committee's review should also be made by its own senior elected officials, and not by staff employees.

The task of Chairman Rodino and Congressman Hutchinson will be made simpler than was mine by the fact that the work of preparing the transcripts has been completed. All they will need to do is to satisfy themselves of their authenticity and their completeness.

Ever since the existence of the White House taping system was first made

known last summer, I have tried vigorously to guard the privacy of the tapes. I have been well aware that my effort to protect the confidentiality of Presidential conversations has heightened the sense of mystery about Watergate and, in fact, has caused increased suspicions of the President. Many people assume that the tapes must incriminate the President, or that otherwise, he would not insist on their privacy.

But the problem I confronted was this: Unless a President can protect the privacy of the advice he gets, he cannot get the advice he needs.

This principle is recognized in the constitutional doctrine of executive privilege, which has been defended and maintained by every President since Washington and which has been recognized by the courts, whenever tested, as inherent in the Presidency. I consider it to be my constitutional responsibility to defend this principle.

Three factors have now combined to persuade me that a major unprecedented exception to that principle is now necessary:

First, in the present circumstances, the House of Representatives must be able to reach an informed judgment about the President's role in Watergate.

Second, I am making a major exception to the principle of confidentiality because I believe such action is now necessary in order to restore the principle itself, by clearing the air of the central question that has brought such pressures upon it—and also to provide the evidence which will allow this matter to be brought to a prompt conclusion.

Third, in the context of the current impeachment climate, I believe all the American people, as well as their representatives in Congress, are entitled to have

not only the facts but also the evidence that demonstrates those facts.

I want there to be no question remaining about the fact that the President has nothing to hide in this matter.

The impeachment of a President is a remedy of last resort; it is the most solemn act of our entire constitutional process. Now, regardless of whether or not it succeeded, the action of the House, in voting a formal accusation requiring trial by the Senate, would put the Nation through a wrenching ordeal it has endured only once in its lifetime, a century ago, and never since America has become a world power with global responsibilities.

The impact of such an ordeal would be felt throughout the world, and it would have its effect on the lives of all Americans for many years to come.

Because this is an issue that profoundly affects all the American people, in addition to turning over these transcripts to the House Judiciary Committee, I have directed that they should all be made public—all of these that you see here.

To complete the record, I shall also release to the public transcripts of all those portions of the tapes already turned over to the Special Prosecutor and to the committee that relate to Presidential actions or knowledge of the Watergate affair.

During the past year, the wildest accusations have been given banner headlines and ready credence as well. Rumor, gossip, innuendo, accounts from unnamed sources of what a prospective witness might testify to, have filled the morning newspapers and then are repeated on the evening newscasts day after day.

Time and again, a familiar pattern repeated itself. A charge would be reported the first day as what it was—just an allegation. But it would then be re-

ferred back to the next day and thereafter as if it were true.

The distinction between fact and speculation grew blurred. Eventually, all seeped into the public consciousness as a vague general impression of massive wrongdoing, implicating everybody, gaining credibility by its endless repetition.

The basic question at issue today is whether the President personally acted improperly in the Watergate matter. Month after month of rumor, insinuation, and charges by just one Watergate witness—John Dean—suggested that the President did act improperly.

This sparked the demands for an impeachment inquiry. This is the question that must be answered. And this is the question that will be answered by these transcripts that I have ordered published tomorrow.

These transcripts cover hour upon hour of discussions that I held with Mr. Halde-
man, John Ehrlichman, John Dean, John Mitchell, former Attorney General Kleindienst, Assistant Attorney General Petersen, and others with regard to Watergate.

They were discussions in which I was probing to find out what had happened, who was responsible, what were the various degrees of responsibilities, what were the legal culpabilities, what were the political ramifications, and what actions were necessary and appropriate on the part of the President.

I realize that these transcripts will provide grist for many sensational stories in the press. Parts will seem to be contradictory with one another, and parts will be in conflict with some of the testimony given in the Senate Watergate committee hearings.

I have been reluctant to release these tapes, not just because they will embarrass

me and those with whom I have talked—which they will—and not just because they will become the subject of speculation and even ridicule—which they will—and not just because certain parts of them will be seized upon by political and journalistic opponents—which they will.

I have been reluctant because, in these and in all the other conversations in this office, people have spoken their minds freely, never dreaming that specific sentences or even parts of sentences would be picked out as the subjects of national attention and controversy.

I have been reluctant because the principle of confidentiality is absolutely essential to the conduct of the Presidency. In reading the raw transcripts of these conversations, I believe it will be more readily apparent why that principle is essential and must be maintained in the future. These conversations are unusual in their subject matter, but the same kind of uninhibited discussion—and it is that—the same brutal candor is necessary in discussing how to bring warring factions to the peace table or how to move necessary legislation through the Congress.

Names are named in these transcripts. Therefore, it is important to remember that much that appears in them is no more than hearsay or speculation, exchanged as I was trying to find out what really had happened, while my principal aides were reporting to me on rumors and reports that they had heard, while we discussed the various, often conflicting stories that different persons were telling.

As the transcripts will demonstrate, my concerns during this period covered a wide range. The first and obvious one was to find out just exactly what had happened and who was involved.

A second concern was for the people

who had been, or might become, involved in Watergate. Some were close advisers, valued friends, others whom I had trusted. And I was also concerned about the human impact on others, especially some of the young people and their families who had come to Washington to work in my Administration, whose lives might be suddenly ruined by something they had done in an excess of loyalty or in the mistaken belief that it would serve the interests of the President.

And then, I was quite frankly concerned about the political implications. This represented potentially a devastating blow to the Administration and to its programs, one which I knew would be exploited for all it was worth by hostile elements in the Congress as well as in the media. I wanted to do what was right, but I wanted to do it in a way that would cause the least unnecessary damage in a highly charged political atmosphere to the Administration.

And fourth, as a lawyer, I felt very strongly that I had to conduct myself in a way that would not prejudice the rights of potential defendants.

And fifth, I was striving to sort out a complex tangle, not only of facts but also questions of legal and moral responsibility. I wanted, above all, to be fair. I wanted to draw distinctions, where those were appropriate, between persons who were active and willing participants on the one hand, and on the other, those who might have gotten inadvertently caught up in the web and be technically indictable but morally innocent.

Despite the confusions and contradictions, what does come through clearly is this:

John Dean charged in sworn Senate testimony that I was “fully aware of the

coverup" at the time of our first meeting on September 15, 1972. These transcripts show clearly that I first learned of it when Mr. Dean himself told me about it in this office on March 21—some 6 months later.

Incidentally, these transcripts—covering hours upon hours of conversations—should place in somewhat better perspective the controversy over the 18½ minute gap in the tape of a conversation I had with Mr. Haldeman back in June of 1972.

Now, how it was caused is still a mystery to me and, I think, to many of the experts as well. But I am absolutely certain, however, of one thing: that it was not caused intentionally by my secretary, Rose Mary Woods, or any of my White House assistants. And certainly, if the theory were true that during those 18½ minutes, Mr. Haldeman and I cooked up some sort of a Watergate coverup scheme, as so many have been quick to surmise, it hardly seems likely that in all of our subsequent conversations—many of them are here—which neither of us ever expected would see the light of day, there is nothing remotely indicating such a scheme; indeed, quite the contrary.

From the beginning, I have said that in many places on the tapes there were ambiguities—a statement and comments that different people with different perspectives might interpret in drastically different ways—but although the words may be ambiguous, though the discussions may have explored many alternatives, the record of my actions is totally clear now, and I still believe it was totally correct then.

A prime example is one of the most controversial discussions, that with Mr. Dean on March 21—the one in which he first told me of the coverup, with Mr. Haldeman joining us midway through the conversation.

His revelations to me on March 21 were a sharp surprise, even though the report he gave to me was far from complete, especially since he did not reveal at that time the extent of his own criminal involvement.

I was particularly concerned by his report that one of the Watergate defendants, Howard Hunt, was threatening blackmail unless he and his lawyer were immediately given \$120,000 for legal fees and family support, and that he was attempting to blackmail the White House, not by threatening exposure on the Watergate matter, but by threatening to reveal activities that would expose extremely sensitive, highly secret national security matters that he had worked on before Watergate.

I probed, questioned, tried to learn all Mr. Dean knew about who was involved, what was involved. I asked more than 150 questions of Mr. Dean in the course of that conversation.

He said to me, and I quote from the transcripts directly: "I can just tell from our conversation that these are things that you have no knowledge of."

It was only considerably later that I learned how much there was that he did not tell me then—for example, that he himself had authorized promises of clemency, that he had personally handled money for the Watergate defendants, and that he had suborned perjury of a witness.

I knew that I needed more facts. I knew that I needed the judgments of more people. I knew the facts about the Watergate coverup would have to be made public, but I had to find out more about what they were before I could decide how they could best be made public.

I returned several times to the immediate problem posed by Mr. Hunt's black-

mail threat, which to me was not a Watergate problem, but one which I regarded, rightly or wrongly, as a potential national security problem of very serious proportions. I considered long and hard whether it might in fact be better to let the payment go forward, at least temporarily, in the hope that this national security matter would not be exposed in the course of uncovering the Watergate coverup.

I believed then, and I believe today, that I had a responsibility as President to consider every option, including this one, where production of sensitive national security matters was at issue—protection of such matters. In the course of considering it and of “just thinking out loud,” as I put it at one point, I several times suggested that meeting Hunt’s demands might be necessary.

But then I also traced through where that would lead. The money could be raised. But money demands would lead inescapably to clemency demands, and clemency could not be granted. I said, and I quote directly from the tape: “It is wrong, that’s for sure.” I pointed out, and I quote again from the tape: “But in the end we are going to be bled to death. And in the end it is all going to come out anyway. Then you get the worst of both worlds. We are going to lose, and people are going to—”

And Mr. Haldeman interrupts me and says: “And look like dopes!”

And I responded, “And in effect look like a coverup. So that we cannot do.”

Now, I recognize that this tape of March 21 is one which different meanings could be read in by different people. But by the end of the meeting, as the tape shows, my decision was to convene a new grand jury and to send everyone before the grand jury with instructions to testify.

Whatever the potential for misinterpretation there may be as a result of the different options that were discussed at different times during the meeting, my conclusion at the end of the meeting was clear. And my actions and reactions as demonstrated on the tapes that follow that date show clearly that I did not intend the further payment to Hunt or anyone else be made. These are some of the actions that I took in the weeks that followed in my effort to find the truth, to carry out my responsibilities to enforce the law:

As a tape of our meeting on March 22, the next day, indicates, I directed Mr. Dean to go to Camp David with instructions to put together a written report. I learned 5 days later, on March 26, that he was unable to complete it. And so on March 27, I assigned John Ehrlichman to try to find out what had happened, who was at fault, and in what ways and to what degree.

One of the transcripts I am making public is a call that Mr. Ehrlichman made to the Attorney General on March 28, in which he asked the Attorney General to report to me, the President, directly, any information he might find indicating possible involvement of John Mitchell or by anyone in the White House. I had Mr. Haldeman separately pursue other, independent lines of inquiry.

Throughout, I was trying to reach determinations on matters of both substance and procedure on what the facts were and what was the best way to move the case forward. I concluded that I wanted everyone to go before the grand jury and testify freely and fully. This decision, as you will recall, was publicly announced on March 30, 1973. I waived executive privilege in order to permit everybody to

testify. I specifically waived executive privilege with regard to conversations with the President, and I waived the attorney-client privilege with John Dean in order to permit him to testify fully and, I hope, truthfully.

Finally, on April 14—3 weeks after I learned of the coverup from Mr. Dean—Mr. Ehrlichman reported to me on the results of his investigation. As he acknowledged, much of what he had gathered was hearsay, but he had gathered enough to make it clear that the next step was to make his findings completely available to the Attorney General, which I instructed him to do.

And the next day, Sunday, April 15, Attorney General Kleindienst asked to see me, and he reported new information which had come to his attention on this matter. And although he was in no way whatever involved in Watergate, because of his close personal ties, not only to John Mitchell but to other potential people who might be involved, he quite properly removed himself from the case.

We agreed that Assistant Attorney General Henry Petersen, the head of the Criminal Division, a Democrat and career prosecutor, should be placed in complete charge of the investigation.

Later that day, I met with Mr. Petersen. I continued to meet with him, to talk with him, to consult with him, to offer him the full cooperation of the White House—as you will see from these transcripts—even to the point of retaining John Dean on the White House Staff for an extra 2 weeks after he admitted his criminal involvement, because Mr. Petersen thought that would make it easier for the prosecutor to get his cooperation in

breaking the case if it should become necessary to grant Mr. Dean's demand for immunity.

On April 15, when I heard that one of the obstacles to breaking the case was Gordon Liddy's refusal to talk, I telephoned Mr. Petersen and directed that he should make clear not only to Mr. Liddy but to everyone that—and now I quote directly from the tape of that telephone call—"As far as the President is concerned, everybody in this case is to talk and to tell the truth." I told him if necessary I would personally meet with Mr. Liddy's lawyer to assure him that I wanted Liddy to talk and to tell the truth.

From the time Mr. Petersen took charge, the case was solidly within the criminal justice system, pursued personally by the Nation's top professional prosecutor with the active, personal assistance of the President of the United States.

I made clear there was to be no coverup.

Let me quote just a few lines from the transcripts—you can read them to verify them—so that you can hear for yourself the orders I was giving in this period.

Speaking to Haldeman and Ehrlichman, I said: ". . . It is ridiculous to talk about clemency. They all knew that."

Speaking to Ehrlichman, I said: "We all have to do the right thing . . . We just cannot have this kind of a business . . ."

Speaking to Haldeman and Ehrlichman, I said: "The boil had to be pricked . . . We have to prick the boil and take the heat. Now that's what we are doing here."

Speaking to Henry Petersen, I said: "I want you to be sure to understand that you know we are going to get to the bottom of this thing."

Speaking to John Dean, I said: "Tell the truth. That is the thing I have told everybody around here."

And then speaking to Haldeman: "And you tell Magruder, 'now Jeb, this evidence is coming in, you ought to go to the grand jury. Purge yourself if you're perjured and tell this whole story.'"

I am confident that the American people will see these transcripts for what they are, fragmentary records from a time more than a year ago that now seems very distant, the records of a President and of a man suddenly being confronted and having to cope with information which, if true, would have the most far-reaching consequences, not only for his personal reputation but, more important, for his hopes, his plans, his goals for the people who had elected him as their leader.

If read with an open and a fair mind and read together with the record of the actions I took, these transcripts will show that what I have stated from the beginning to be the truth has been the truth: that I personally had no knowledge of the break-in before it occurred, that I had no knowledge of the coverup until I was informed of it by John Dean on March 21, that I never offered clemency for the defendants, and that after March 21, my actions were directed toward finding the facts and seeing that justice was done, fairly and according to the law.

The facts are there. The conversations are there. The record of actions is there.

To anyone who reads his way through this mass of materials I have provided, it will be totally, abundantly clear that as far as the President's role with regard to Watergate is concerned, the entire story is there.

As you will see, now that you also will have this mass of evidence I have

provided, I have tried to cooperate with the House Judiciary Committee. And I repeat tonight the offer that I have made previously: to answer written interrogatories under oath and, if there are then issues still unresolved, to meet personally with the chairman of the committee and with Congressman Hutchinson to answer their questions under oath.

As the committee conducts its inquiry, I also consider it only essential and fair that my counsel, Mr. St. Clair, should be present to cross-examine witnesses and introduce evidence in an effort to establish the truth.

I am confident that for the overwhelming majority of those who study the evidence that I shall release tomorrow—those who are willing to look at it fully, fairly, and objectively—the evidence will be persuasive and, I hope, conclusive.

We live in a time of very great challenge and great opportunity for America.

We live at a time when peace may become possible in the Middle East for the first time in a generation.

We are at last in the process of fulfilling the hope of mankind for a limitation on nuclear arms—a process that will continue when I meet with the Soviet leaders in Moscow in a few weeks.

We are well on the way toward building a peace that can last, not just for this but for other generations as well.

And here at home, there is vital work to be done in moving to control inflation, to develop our energy resources, to strengthen our economy so that Americans can enjoy what they have not had since 1956: full prosperity without war and without inflation.

Every day absorbed by Watergate is a day lost from the work that must be done—by your President and by your Con-

gress—work that must be done in dealing with the great problems that affect your prosperity, affect your security, that could affect your lives.

The materials I make public tomorrow will provide all the additional evidence needed to get Watergate behind us and to get it behind us now.

Never before in the history of the Presidency have records that are so private been made so public.

In giving you these records—blemishes and all—I am placing my trust in the basic fairness of the American people.

I know in my own heart that through the long, painful, and difficult process revealed in these transcripts, I was trying in that period to discover what was right and to do what was right.

I hope and I trust that when you have seen the evidence in its entirety, you will see the truth of that statement.

As for myself, I intend to go forward, to the best of my ability, with the work that you elected me to do. I shall do so in a spirit perhaps best summed up a century

ago by another President when he was being subjected to unmerciful attack. Abraham Lincoln said:

“I do the very best I know how—the very best I can; and I mean to keep doing so until the end. If the end brings me out all right, what is said against me won’t amount to anything. If the end brings me out wrong, ten angels swearing I was right would make no difference.”

Thank you and good evening.

NOTE: The President spoke at 9:01 p.m. from the Oval Office at the White House. The address was broadcast live on nationwide radio and television. An advance text of his address was released on the same day.

The transcripts mentioned in the President’s address were included in a publication entitled “Submission of Recorded Presidential Conversations to the Committee on the Judiciary of the House of Representatives by President Richard Nixon—April 30, 1974” (Government Printing Office, 1308 pp., including appendixes). The publication also included a summary statement about the transcripts, the text of which is printed in the *Weekly Compilation of Presidential Documents* (vol. 10, p. 459).

123 Remarks at the Annual Meeting of the United States Chamber of Commerce. *April 30, 1974*

Mr. President, and all of our distinguished guests here attending the annual Chamber of Commerce dinner:

I am honored to be here because I am always very pleased to address this group. It has been twice my privilege to do so as President, and I am happy tonight—particularly for two reasons that are personal—one, to congratulate President Rust for his leadership of this group over the past year and, two, to congratulate Arch Booth for finally making it. Twenty-four years as vice president is enough.

I know that your dinner will not begin until my remarks conclude, and I will not hold you long. But I thought that since you are going to hear from so many experts on the economy, the business cycle, and other matters that affect the business leaders of the Nation—and, of course, this is the largest business organization in the United States and, for that matter, in the world—since you are going to hear from so many of those experts, I thought that perhaps I could best open this meeting by putting it somewhat in perspective of

America's challenge in the world, and what the strength of the American economy means, not only to us here at home but what it means to the future of peace in the world.

Sometimes it is hard for us, any people, to realize, when we are living in great times, how great those times are and how profound the challenges are. We live at a time, we in America, when there is the best chance since the end of World War II, and perhaps even the best chance in this century, to build a peace that we can enjoy, but more than that, a peace that 3 billion people in the world who share it with us can enjoy.

I will not go over what is happening in the world today. You follow the news. I get the reports as they come in daily. I can only say this: We are making progress in our efforts to bring peace to the Middle East—an area that has known four wars in one generation and has not known real peace for perhaps 1,000 years—and that will be a great achievement, one which America can play a great role in helping to bring about.

The preparations for the meeting with the Soviet leaders—the third summit—are going forward on schedule. We will make progress there in the limitation of nuclear arms, in cooperation in many areas where two systems that are totally opposed to each other insofar as their philosophy is concerned, recognize that because of the power they have, they have a responsibility to work together for peace in the world.

Our dialog with those who lead one-fourth of all the people who live on the globe, in the People's Republic of China, is going forward. Not that our differences in philosophy have changed. They have not. But again, recognizing the pragmatic

fact that those who live there play now and, in the future, will play an even greater role in determining whether we have peace or a period of war and mass destruction.

And as you know, we are moving forward with a new dialog with our friends in Latin America. We are moving forward with a new dialog with our friends in Western Europe. And all of this put together means not that peace is here and we can relax and enjoy it, because peace is not something that comes and then is an established fact. It is a process; one must work at it, day after day, week after week, month after month, year after year, or otherwise it escapes, and war again becomes our lot and, next time, if it should become our lot, perhaps the lot of most of the people in the world.

But I can assure you today that, looking at the world scene, the prospects for building world peace are good. I can assure you today, too, of another fact, and this is something that many Americans perhaps do not want to recognize as being their responsibility, because having gone through World War I and World War II, and then Korea, and then Vietnam, there are so many of us that would like to say, "Why can't someone else take up the burdens that we have been carrying for trying to defend freedom and keep peace in the world?"

But I can assure this audience from all over America, having just returned 2 weeks ago from meetings with the world leaders in Paris, that except for the United States of America, its leadership, there would be no chance to build a lasting peace. We hold the key to peace in our hands.

And so, an America that is strong, an America that will lead is essential if this

great goal that mankind has tried to find for so many years and has eluded us, this great goal can be achieved, but it is in our hands.

Now, so much for the prospect. Let me tell you what you, as the business leaders of America, and those you represent can do to contribute to the success of achieving that great goal.

We all know that America must maintain its military might. We all know that we must never send an American President to the conference table as the head of the second strongest country in the world. We know that, and we must maintain that strength.

But just as important as America's military strength is America's economic strength, and the first is not possible without the second. And I can assure you, as you meet with world leaders, they know we are militarily strong, but as they look at this massive productivity that we have in this country, if they look at what we have done over 200 years in our history, America is the economic envy of the world. We are a strong country economically.

Now, having said that, I know that many of you are thinking perhaps of what has happened in the first quarter and the latter part of the fourth quarter of 1973 to our economy.

We have been going through a difficult period, much of it energy-related, much of it caused also by a worldwide inflation, but whatever the causes, it has been there. But while we must not overlook the difficulties through which we are passing and which we will overcome, we must also never forget that our economy basically is strong, and Government policies must do nothing that weaken the American econ-

omy. They must always do things that strengthen the American economy.

I consider, for example, the problem of inflation. And here, as you all know, there are various theories, but I know this: You can spend your way into inflation, but you sure can't spend your way out of inflation. So, we have got to keep Government spending at a level that is responsible.

I know, too, there are those who, as they look at the inflationary spiral, would like to think that there was an easy answer. Why doesn't the Government control it all? If there were such an answer, believe me, that is what we would do.

But while controls can work for a time, we have to remember that the experience in this country, and we have had it in these past 5 years, indicates that the future of the American economy is not through more controls, but less controls.

I would also suggest that on this day, when the control authority officially ends, that a great responsibility is placed on the business community—the leaders of labor as well—to be responsible, because if the fires of inflation continue to burn too strongly, the demand for controls will again come up in the country and be reflected in the Congress.

That would not be in the best interests of the country in the long run. And for that reason I say, let us have faith in our economy. Let us recognize, however, that the answer to inflation, the major answer, is more production, and more production is going to come through policies that all of you are familiar with.

And that brings me to the third point about the strength of this economy. As far as the future is concerned—and incidentally, predicting the economy, particularly one as big as ours, is even more diffi-

cult than predicting the Washington weather—I can assure you that as far as most of the economic advice that I have been able to get, both within the Government and from without is concerned, it is this: a leveling out of the downturn in the second quarter, an upturn in the third and fourth quarters of this year, a very good year in '75, and the best year in our history in '76. This is something I think we can achieve, because we have passed through the major part of the energy crisis.

Automobile production, one of the weak spots in the economy, is finally beginning to turn up. Housing is a special problem, and it is one of those rare areas—I say rare as far as I am concerned—where Government must play a significant role. And announcements that I will be making next week with regard to Government action will stimulate a sagging housing market, because it is essential that in this particular area, we continue to have that growth which is not only important in terms of the families who buy and live in our houses or rent them, but it is also important to the overall strength of our economy.

But having spoken of what Government can do—be responsible in its fiscal policies, be responsible in its monetary policies, be responsible in terms of not imposing controls when controls will have short-term advantages and long-term disaster—what we must remember above everything else is that what built America, what made us what we are, the strongest, the freest, the most prosperous nation in the world, is not what Government did, but what private enterprise did. That is the secret of the American dream.

Let me give you a very timely example. Everybody is concerned about energy. And

I often get questions: "What is the Government going to do? How much are we going to spend?" A great deal, \$15 billion over the next 3 years or 4 years, possibly, maybe \$20 billion. And people gasp, "That is bigger than Manhattan [the Manhattan Project]; that is as big as the space program," or what have you.

But let me point this out: What Government does in the energy field and what we spend in the areas of research and the other areas in which we are working is important. Fifteen billion dollars over 3 years or 4 years is a lot of money. But over the next years—10 years—do you realize that to achieve the goal that we must achieve, of being independent of any other country for our energy, that private enterprise will be spending \$500 billion? That makes Manhattan, which gave a big boost to the economy, look very small. It makes the space program, which gave a good boost to the American economy, look very small indeed.

And so, in this one area alone, you can see that our Project Independence for 1980, if we move forward not just with what Government does but in unleashing and encouraging private enterprise in every respect, this is going to add enormous strength to the economy of this country.

Let me just speak of some actions that can help in that respect, and if you don't mind, a little lobbying: In this respect, what we have to do is to develop the resources that we have, and the Congress should deregulate natural gas. Why? So that we can get enough gas to bring the price down. The Congress should pass the legislation that will allow America to use to the maximum necessary the resource in energy that we have more of than any in the free world. We have two-thirds of all

the known coal resources in the free world, and what we need to do is to change the environmental standards so that we can mine that coal and use that coal and use it effectively, and it can be done.

And further down the line, we must move forward in the development of nuclear power, where the United States was first in finding the secret to breaking the atom and, now, we seem to be so far behind in using it for peaceful means. We must move forward in the development of deepwater ports.

There are other areas that I could mention, but my intention here is not to put pressure on the Congress, my intention here is to point out the great promise that it holds for America. It is possible for this great and powerful economy, this Nation, to be totally independent of any other nation, so that we will never go through what we did in October of last year when they cut off our energy supplies.

Long-term: 24 years from now—and Arch has been—24 years from now, well, he may be around for that 2000th birthday of the millennium. But all I can say is that as we look at the future of America, the prospects for world peace are good if we lead, the prospects for a strong economy are good if we play to our strength, which is private rather than Government enterprise.

But also, we must remember that the history of nations tells us that great civilizations have fallen not when they were poor and when they were weak, but when they were rich and apparently strong. Because the tendency inevitably then—and it was true of Rome and it was true of Greece and it was true of many other civilizations—the tendency then at a time of great wealth and affluence is an inward turning,

turning away from greatness, turning away from leadership, and failing to keep the character and the strength that brought that civilization to where it was.

And that brings me finally to the most important point of all. We can be militarily strong, we can be economically strong, and still fail in this great goal that we are trying to achieve—of building a lasting peace in the world—if America is not strong in its character among its people. And that means faith in this country, faith in its system, faith, it seems to me, that is well justified.

And I can tell you that sometimes when we hear the media reports, some of them, sometimes when we read the newspapers, there is a tendency to emphasize those things that are wrong. And there are things wrong, and we should correct them, whether it is in our economy or any other area, but let us never forget that as you go out across this great country of ours, you see a very different America than you will see here in Washington, D.C.

I do not mean that Washington is not a great city, populated by many very great people, but I do suggest that out in this country, there is still that character that crossed the mountains and the prairies and went all the way to the Pacific and built America to where it is, and you see it best in times of adversity.

I close with this one example. A President has many duties, and one is to go to disaster areas. And every time you go, your staff tells you, “Go in and give them a lift.” And I can tell you, every time I go in, those who go through the disasters give me a lift.

It was true when I visited Mississippi in 1969 during the Camille hurricane. It was true when I was in Pennsylvania at

the time of Hurricane Agnes as I went around and talked to the people who had suffered so much.

And it was true just a few weeks ago when I was in Xenia, Ohio, where a tornado had torn through a city and left destruction such as I had never seen before, except possibly of an earthquake in Anchorage, Alaska. And as I drove along I saw a very moving sight. In place after place, there were modest homes that had been there. They were gone. Nothing was left but the rubble. But standing there, planted there, was an American flag.

When you have people who go through

that kind of tragedy and who are still proud of their country, proud of their city, proud of their State, then let me tell you, there is nothing wrong with the heart of America. This country is going to provide the leadership that is needed.

Thank you.

NOTE: The President spoke at 7:34 p.m. in the International Ballroom of the Washington Hilton Hotel, where the Chamber of Commerce was holding its 62d annual meeting.

Edward B. Rust was past president and incoming chairman of the organization's executive committee, and Arch N. Booth was incoming president of the organization.

124 Statement About the Termination of the Economic Stabilization Program. *May 2, 1974*

FOR MANY years, inflation has been the major economic problem facing the United States. It continues to be our number one economic challenge today, and it must be fought vigorously and on many fronts.

More than 2 months ago, the Administration proposed legislation which would provide for the temporary continuation of mandatory economic controls in two important areas of the economy: medical care and construction.

In addition, our proposals would have assigned the Cost of Living Council a continued role in a number of nonmandatory activities. The Council would have been responsible for working on problems of increasing supplies, especially in areas where governmental policies have a significant impact such as agriculture, transportation, and construction; it would work with the private sector to increase capacity and productivity; and it would seek to improve the structure and performance of

collective bargaining without mandatory controls.

These proposals, which were based on our experience in combating inflation since the first overall freeze was imposed in 1971, were to serve a vital but limited purpose. They were not intended to place the entire economy under continuing controls or under the shadow of standby controls. As I said on August 15, 1971, when the first freeze was begun, we must not commit the American economy to a straitjacket of controls. The record since has affirmed the wisdom of that philosophy. Mandatory wage and price controls of the last 3 years have served a useful function, especially in their early stages, but increasingly they have become obstacles to the effective performance of the economy. We have therefore been reducing the coverage of direct controls, gradually at first and rapidly in the last few months. Our continuing goal is to liberate the entire economy so that it will grow and

adapt, free of controls or the threat of controls.

Nevertheless, we believe that the inflationary forces which still exist in the medical and construction sectors justify the temporary continuation of controls in these two special areas. These forces are powerful, and without some means of maintaining a tight lid, medical and construction prices are very likely to jump to much higher levels. It is thus a matter of disappointment and regret that the legal authority for the Economic Stabilization Act has now expired without the enactment of our proposals by the Congress.

The Administration will also continue to do everything within its power to press the struggle against inflation. We will strongly resist all unnecessary increases in Federal expenditures. We will resist proposals to cut taxes, or more accurately, to

substitute the hidden and unfair tax of inflation for public taxes which are at least open and imposed by the people's representatives. We will count on the Federal Reserve to conduct a firmly anti-inflationary policy. And we will direct Federal policies to expansion of the supplies of goods and services, especially the supplies of food.

I am also today issuing an Executive order [11781] to provide for the orderly termination of the Cost of Living Council on June 30, 1974, and authorizing the Council to continue nonmandatory monitoring functions during this 2-month period.

This overall course of action, if it has the support of the Congress and the people, will reduce the rate of inflation. If we fail to follow this course, nothing else we might do will succeed.

125 Remarks at a State Republican Rally in Phoenix, Arizona. May 3, 1974

Governor Williams, all of the distinguished guests on the platform, and all of the distinguished people here in this audience:

I want you to know that I am very honored to be here in Arizona, a State where, 45 years ago, for 3 years was my summer home, a second home. And I am very honored to be here, too, on this occasion to receive such a wonderfully warm welcome here in this hall.

Let me say, in the great American tradition we have some here who are against us; we have more who are for us. And all of you are welcome. We all believe in the great American right of free speech, and we all know that right of free speech for one individual carries with it the respon-

sibility to keep quiet when someone else is trying to exercise his right of free speech.

I also am very grateful for the opportunity here in Arizona to pay tribute to some of the Nation's top leaders. I refer to them probably in order of seniority, if not in age.

First, to Governor Jack Williams. I have known many Governors, but of the chief executives of this land, he has been and is one of the very best. You can be very proud of him.

Ten years ago when a man lost running for the Presidency, it was written and spoken by many, "Well, we won't be hearing from Barry any more." They wrote and spoke too soon. He came back, and today, Barry Goldwater's voice is heard

throughout this land, speaking courageously for what he believes in, for the cause of conservatism for his party and for the country he has served and loves so well.

And second, his colleague, Paul Fannin. Paul Fannin is one of those men in the United States Senate who does not speak very often, but because he speaks with such intelligence and such courage and such ability, he is listened to. He is, in my view, the top expert on energy in America today, and he is a valuable man for Arizona and the Nation.

And now, moving to the House of Representatives—not as a lower body, they don't like to be called that; having been a Member of both bodies, I know—I can say this: that Arizona can be proud that it is the home not only of the man who is now the Republican leader of the House of Representatives but a man that I predict will be, in the future, the Speaker of the House, Johnny Rhodes.

And his colleagues, I mention Sam Steiger, who represents that little town, mile high, in Prescott, that I knew so many years ago, and a man who is one of the Nation's top experts and my top adviser in the field of land use, who believes that those decisions should be made here and not in Washington, D.C.

As some of you have probably noted, I am somewhat of a baseball fan. I have learned that in this audience tonight is a man who will be inducted into the Hall of Fame in Cooperstown next year, Jocko Conlan. And I would like to say that Jocko Conlan—and the people of Arizona can be proud of his son—when Jocko Conlan was there as an umpire, and I have seen him, he called them as he saw them. And his son, John, calls them as he sees them for the best interests of America and his district and his State.

I would not want this opportunity to pass, also, without expressing my appreciation for the services of a new member of our Cabinet, a Counsellor to the President, Dean Burch.

There are many subjects that I want to address tonight. I want to look primarily with you to the future of America, as I know you want to look to the future of America. Whatever we are—Democrats or Republicans—we want a better future for America and the world. I want to dispose, however, of one subject that has, of course, as Jack Williams implied, commanded a great deal of headlines over the past year.

In this past week, as you are aware, I have furnished not only to the Congress but to the American people all of the relevant evidence with regard to an issue that has been of very great interest to the American people. And I simply say this tonight: The time has come to get Watergate behind us and get on with the business of America.

The time has come for the President and the Congress to devote their full attention to what you, the people of Arizona and America, think are of your great concerns.

And so, tonight, I want to talk to you not about what we are against, but what we are for. I believe that is what Americans desperately want to hear.

We have heard so much about what is wrong about America. Let's hear something that is right about America. And you will hear it tonight.

I begin with the issue that Jack Williams mentioned very graciously and generously in his introduction, and that is the issue that we are all concerned about, the issue of peace for America and peace in the world.

I can refer only to the past in these terms: You knew the situation when I came into office. America was then in its longest war. There was no plan to bring it to an end. Casualties were 300 a week; 14,000 were being drafted into the armed services every month. And that war which did not begin when we were in power, we ended, and we can be proud that we brought that war to an end.

We can be proud that America's longest war has been brought to an end, and we can be proud that it was ended in the right way and that our prisoners of war came home on their feet and not on their knees.

And we can be proud that for the first time in 25 years, no young Americans, including some of those who may be here against us, are being drafted into the armed services today. Now, for some, that might appear to be a record to run on, but it is not enough. It is not enough because we have ended wars before. But you know the old story of this century. We fought World War I, came the armistice and we thought, "No more."

But then, the sons of those that fought in World War I were fighting in World War II. And then, when that ended and the United Nations came along, we thought, "There will not be another war." And then the younger brothers of those who fought in World War II, and even some of their sons, were fighting in Korea. And after that war was brought to an end by President Eisenhower, after that war was brought to an end, we thought, "There will not be another one." And the younger brothers of those who had fought in Korea and the sons of those who fought in World War II were fighting in Vietnam.

So, that is why our goal is not simply to

say we rest on our laurels, we brought peace. Our goal is to bring a new generation, a new period, in which the whole world—not just America—can enjoy the blessings of peace. And we have that as a goal and one that we can achieve.

It is not an easy goal to achieve, because it has never been achieved before. But it is a goal that can be achieved, because America is going to be in the leadership in working toward that goal.

Running over some of the critical areas of the world: The Mideast now commands our attention. Four wars in a generation, thousands of years of hatred, and yet we are making progress, progress steadily toward a goal of peace in the Middle East in which every nation in that area will have security, independence, and progress without war. That is a great goal, and Americans are going to bring that goal about or help to achieve it.

Now, moving from that potential powder keg, we look at the whole world. I know that some of my friends have often asked, "How is it that President Nixon, of all people, would be talking to the Communist leaders of Russia, to the Communist leaders of the People's Republic of China?"

I will tell you why: because the alternative to talking to them is a war, not like World War I or World War II, but one that would destroy civilization as we know it. And that is why we negotiate now rather than have war later. That is the reason for it.

And so, we are making steady progress toward the next summit which will occur in June, a summit in which we will move again toward the limitation of nuclear arms and in other areas with regard to the Soviet Union.

That is why we are continuing our

dialog with the leaders of the People's Republic of China, a nation that is not a nuclear power of great significance today, but will be within a few years, and a nation in which one-fourth of all the people in the world live.

There cannot be peace in the world unless the Soviet Union, unless the People's Republic of China, as well as the United States, talk with each other, negotiate with each other. That is what we have done. That is the great breakthrough that we are now going to exploit for all of the people of the world.

And at a time that we are talking to those who have been and might be in the future our potential adversaries, we have not forgotten our friends, our friends in Europe, our friends in Latin America, our friends in other parts of Asia as well as in the Mideast and Africa.

Now, what I have outlined for you here today is, therefore, when you look at it in a global sense, a pretty simple problem, but it requires leadership.

I want to tell you why America's leadership is so indispensable. Three weeks ago in Paris, I met with the leaders of most of the major nations of Europe, with Mr. Podgorny of the Soviet Union and with the leaders of 25 other countries. And I want you to know that as I talked to those leaders, one fact came through very loud and clear: that unless America assumes the responsibility of leadership, there is no chance for peace and freedom to survive in the world today.

And you wonder why, why after everything that we have done—Korea, Vietnam, World War I, World War II—why can't somebody else do it? There is no other free nation that has the power or can develop it. And so, the future of peace in the world is in our hands. And we are

not going to fail the world or ourselves in attempting to bring about that peace.

If we are to provide that leadership, America is going to have to have strength in three areas that I would mention tonight. First, we must have military strength. Johnny Rhodes very properly referred to the need to keep our Government spending down. But let me just say this: Let us be sure that in the field of our military strength that no President of the United States ever goes to the conference table as the head of the second strongest nation in the world.

Second, in addition to the military strength necessary for America to be respected and to play the role of peacemaker, it is essential that we have economic strength.

Let us look at the American economy very briefly. It has been going through a very difficult period, primarily related to our energy problems. But as we look toward the future of the economy for this year, here is what we see: We see the economy moving up; automobiles finally beginning to move up; housing, which will receive stimulus from programs that we will announce this week, will begin to move up. And I would say tonight that I can make safely this prediction: that by the end of '74 we will say it was a good year economically, '75 will be a better year, and '76 will be the very best year America has ever had economically.

Now, to accomplish those goals we need policies that are designed to deal with certain problems. One is the problem of inflation. The problem of inflation, of course, must be fought on all fronts. But one front we must remember is this, and that is what your Government spends in Washington, D.C. And that is why it is essential that we all remember that when

we keep down the cost of Government in Washington, that helps you keep down the cost of living here in Arizona and all across this country.

A second way to fight inflation, one that we learned will not work, and that is we must fight it not through trying to control this economy. A free economy and more production—that is the answer to bringing down prices.

And third, in order to have the progress we want, more jobs, more opportunity, more freedom—and we are the best in the world in all of these areas already—but more in order to have that, we must remember how we got where we are, the richest, the strongest nation in the world.

Looking back over our almost 200 years, we find that we got here not by what government did, but by what people did; not through government enterprise, but private enterprise. That is the way to progress in America.

I outlined in the State of the Union Address a number of goals in the field of health, in the field of education, and in many other areas. Let me give you two examples of why it is that it is through our activities as individuals in our private capacities rather than as a government that we can have great progress.

We have a choice in terms of the health program. All Americans want to be sure that every American has an opportunity to have the best health care. That is why we are for a program which provides for everybody to have health insurance who needs it or wants it, and also provides for catastrophic illnesses—and all this without new taxes.

That is why we have rejected, however, the proposition that what we should do is, in effect, to abolish the private health care system and to have it all taken over by the

Federal Government. Let me say, I think every American, whenever he is ill, he wants a doctor that is working for him and not for the Federal Government.

Let me put it in better perspective, perhaps, in terms of numbers by pointing up our great goal of Project Independence 1980 for energy. You have heard what the Federal Government is going to do, and it sounds very big—\$15 billion over the next 3 to 5 years the Federal Government will spend in research and a number of other areas in order to help achieve the goal of Project Independence in 1980.

But did you realize that over the next 10 years, as compared to the \$15 billion that I have just referred to, private enterprise will spend \$500 billion, a half trillion dollars.

The way to make America achieve a goal which we want—of being independent of any other nation for our energy—is through unleashing private enterprise so that it can produce the energy that America has in such great resources. And that is why I say tonight to my colleagues in the Congress here, who don't need to hear it, but also to the Congress generally, that the time has come to move on the great number of energy proposals that we have before it:

One, to deregulate natural gas. Why? So that we can get more supplies and eventually bring down the price.

Two, to change the environmental restrictions with regard to the use of the resource in which we have two-thirds of the free world's capacity—coal. We should mine our coal and use our coal, and we can make it a clean fuel. But we must move forward, and the Congress must cooperate so that we can move forward.

And third, we must develop the great Federal lands that we have in terms of

the production of oil and gas which can and will be made available for production.

And looking further down the road, we must move forward in areas that nobody ever thought of 10, 15 years ago: the development of nuclear power, the cleanest fuel of all; to develop too, in addition to nuclear power, of research in the field of solar energy in which you are so interested in this particular area. We must explore every possible area that we have.

But I am simply suggesting this insofar as this problem is concerned: The way to move forward, the way to become independent of any other nation for our energy supplies, is not to say, "What is the Federal Government going to do?" The way to do it is to remember how we got where we are, and that is through giving private enterprise a chance to develop the enormous resources of America, so that we can be the strongest in the world in terms of energy.

I know that many of you, of course, have heard of our programs. They are progressive programs providing for better education, providing for new transit for our cities and our rural areas as well, providing for better use and better planning for our lands and so forth across this country.

And I suppose some of you wonder if this isn't simply a throwback to the days of old when everything was done by the Government. Let me tell you the difference: We believe that the Federal Government has a role to play in all these areas. Federal money should be spent in the field of education. It should be spent in the field of transit. It should be spent in the field of land use. But there is this big difference: The decisions as to how that money should be spent should be made by the States, the local communities,

and the people, and not by bureaucrats in Washington, D.C.

And so I say to you tonight, through relying on the great resources, natural, that we are so richly blessed with, through relying on those principles that we believe in and that I have tried to enunciate tonight and those behind me have enunciated many times before audiences here and across the Nation, America can and will have the economic strength that is indispensable if we are going to have a world of peace.

And now to the third element. It is one that is perhaps more difficult to describe. Let me describe it, perhaps, in a way that may not have occurred to some of you who have not had the opportunities to see some of the nations that I have. The Soviet Union, 250 million Russians. The People's Republic of China, one-fourth of all the people in the world. They have systems of government with which I totally disagree and you disagree. And yet, I recognize as I met their leaders, I recognize as I saw their people, I recognize a steel-like strength and determination, even though their system is one that I totally disagree with.

And I look at America. Here we are, the richest nation in the world. Here we are, a very strong nation, and the question is: Does America have the strength of character, the sense of vision, the sense of destiny to provide the leadership? Our answer, I think, would be yes. But as you look at the history of great civilizations through the years, you find a very disturbing fact. Whether it was Greece or Rome or civilizations before that, they fell not when they were weak or poor, but when they were rich and thought they were strong.

The point of greatest danger for any nation is that when it becomes so rich, it becomes soft in its character. Let this not happen to America.

Sometimes, when we are in Washington, exposed only to what we read and hear there, we get an impression that maybe America is not up to this great task, that maybe Americans have lost their drive, their sense of destiny, that maybe at this time of our wealth and our power, America will not meet the challenge.

And then you leave Washington, and you see a different America. You see it here in Arizona. I saw it last week in Mississippi. I saw it perhaps most eloquently in a little town in Ohio—Xenia, Ohio. I went there because there had been a tornado.

It is a proud little city of 25,000. A tornado had swept through the residential areas. It left destruction such as I have never seen equaled except in an earthquake in Anchorage, Alaska.

I drove through those areas, and as I looked at what once were houses and saw the rubble there, it was a shocking thing to see. But then, as I went along, in lot after lot, somebody, the owner, had put up an American flag.

Now, people who can be that way when things are tough, you can be sure America has the strength, the guts to do what is necessary to lead in this critical period.

I have often quoted President de Gaulle, what he said to me when I saw him in 1963, and he said France is never her true self unless she is engaged in a great enterprise.

That, of course, was a very profound statement, not only about France but

about all people. An individual can be only as great as an enterprise in which he is engaged is great. And all of us, whatever our jobs, must play a part. And a nation like America cannot and will not continue to be a great nation unless we are engaged in a great enterprise.

What is it? Bringing prosperity to America is a great enterprise. Bringing progress to America is a great enterprise. Bringing more opportunity for all Americans, whatever their background, is a great enterprise. But all of that is not enough. We have an even greater one, one that has never been given to a great people before, because there has never been a moment in history like this before, when the hopes of the whole human race depend upon what one nation does—the people of the United States.

My friends here in Arizona, I tell you we live at a great time in history—not a bad time. We live at a time when we have a chance not only to bring prosperity here and all these things that I have talked about but in which we have a chance to build a world of peace that the whole world can enjoy. And people, billions that we will never know or never see, can look to America and say they are thankful for what we have done.

That is our challenge, and my friends, I want to say to you, that is a great enterprise. And I can assure you tonight that I intend to stay on this job, and with your help, we shall meet that task.

NOTE: The President spoke at 7:39 p.m. at the Arizona Coliseum and Exposition Center.

Following his remarks at the rally, the President attended a reception at the home of Senator Barry Goldwater.

126 Statement Supporting Legislation To Enlarge the Havasupai Indian Reservation. May 3, 1974

I AM PLEASED to announce my support of a major enlargement of the Havasupai Indian Reservation in the Grand Canyon. Ousted from lands on the canyon rim almost a century ago, the Havasupai Tribe lives isolated on two small tracts at the bottom of the canyon. The tribe has patiently appealed for the restoration of a land base on the rim. This addition would return historic and religious sites, ancient burial grounds, and life-sustaining springs to the Havasupai. In addition to its historic and religious claims, the tribe needs this land to relieve overcrowding on the reservation and to provide a better economic base.

The land which the tribe seeks lies within the national park and forest systems. When Senators Goldwater and Fannin introduced a bill to enlarge the reservation early in this Congress, the Departments of Interior and Agriculture took the position that a year should be devoted to studying the question. However, after consultation with Secretary Morton, Secretary Butz, Commissioner [of Indian Affairs Morris] Thompson, the Arizona delegation, and receiving representations of the tribe, I have concluded that the Havasupais have waited long enough. The House Interior Committee will take up the bill early next week, and Congressman Steiger will offer this plan as an amendment to the bill at that time.

Therefore, I am recommending, first, that sufficient acreage to meet the tribe's economic and cultural needs, up to 251,000 acres of national park and forest lands, be held in trust for the Havasupai Tribe; second, that the tribe and the Na-

tional Park Service conduct a joint study of the area held in trust and develop a master plan for its management; and third, that the Secretary of the Interior be given a right of access over the lands deleted from the Grand Canyon National Park and held in trust for the Havasupai, in order that he may continue to administer the matchless resources of that park. This plan, which would be due a year after enactment of the legislation, would preserve the area's scenic and environmental values, with special provisions for environmentally sensitive uses. During the interim, the National Park and Forest Services would administer the area so as to protect the status quo: that is, no development would be permitted, and use could not exceed present levels. What I am proposing, in short, is instant trust status for the land which the Havasupais have claimed and, one year later, a determination by both the tribe and the Secretary of the Interior as to how the values which originally led to the inclusion of the area in national parks and forests can be maintained under Indian ownership.

I note that the acreage to be placed in trust for the tribe does not include a corridor along the Colorado River. This corridor is under scrutiny by the Department of the Interior for possible wilderness designation, and today's recommendation would not affect the outcome of that decisionmaking process.

With the environmental protections built into the recommendation I am making today, I believe that transfer of park and forest lands into trust for the Havasupais would protect the integrity of the

area. We must remember that the conservation record of the American Indian, stretching over the thousands of years he has inhabited this continent, is virtually

unblemished.

NOTE: The statement was released at Phoenix, Ariz.

127 Remarks at Fairchild Air Force Base, Washington.

May 4, 1974

Governor Evans and Mrs. Evans, and all of you here at Fairchild Base, and all of our guests:

As you know, Expo '74 is going to have to open at 12 noon sharp, and the Governor has told me therefore my remarks here must be very brief. But while they will be brief, I can assure you that they will come very much from the heart.

First, I want to express appreciation to all of those who serve in our Armed Forces. You serve on a voluntary basis, and by reason of your service here at this base and, of course, the other hundreds of thousands of Americans that serve around the world, you are helping to keep peace in the world. That is a great venture. We thank you for what you are doing in helping to keep peace in the world.

And second, I want to say a word—since I understand that when we get over to Expo we will be talking to the whole Nation; as a matter of fact, to the whole world—a word about Spokane.

Governor, generally, when people think of the State of Washington, they almost always refer to the Seattle-Tacoma area.

Now, that is a beautiful area, and a lot of people live there. But I have been to Spokane five times, and I know this is great and good country out here, and I am glad to be here in Spokane. And among many other things that this Expo will do, things that are good for America and good for the world, it will point all of the people of America and the world to Spokane and this area. What a beautiful country this is, what strong people you are, and that, believe me, that alone is worth having Expo '74 here in Spokane.

Thank you very much.

The Governor just reminded me that perhaps far more important than his introducing me and both of us standing here so you could see us was that you should see the First Lady of the United States and the First Lady of this State of Washington. I think when you see these two lovely ladies, you will agree that both the Governor and I married above ourselves.

NOTE: The President spoke at 10:43 a.m. at Fairchild Air Force Base, Spokane, Wash.

128 Remarks Opening Expo '74, Spokane, Washington.

May 4, 1974

Governor Evans, Secretary Dent, Congressman Foley, Your Excellencies representing the nations from abroad, Your Eminence, all of the distinguished guests

and all of those here on this historic occasion for the opening of Expo '74:

I am honored to be here for a number of reasons: First, because the State of

Washington, under the leadership of Governor Evans, I think is generally recognized to be the first State in the Nation in terms of trying to protect the environment. We congratulate this State, its Governor, and its legislators.

And then, it is a great privilege to be here on this sparkling, beautiful day to speak about what this particular occasion means, not only for now and the days ahead in this summer—when I hope that hundreds of thousands, and maybe millions, will come to see it—but, looking down through the pages of history perhaps to the year 2000, 25 years from now, when we celebrate a new year that comes once in 1,000 years and when we look back to see what we did now to make that a new year that was not only the greatest new year for America but for every nation in the world.

Today, we speak of the environment in terms—as we should—of cleaning up the air and water, of a legacy of parks, of all of those other things that have to do with making our cities and our towns and our countryside more beautiful for our children and those that follow us.

The environment means all those things, but environment also means other things to people. It means, for example, for every family in America a job so that he can enjoy the environment around him. And there are those who sometimes say that the two are in conflict, that it is impossible to have a great, productive society like America—the most industrialized nation in the world—and a clean environment.

We have gone through a period in the energy crisis when there have been evidences that these two great interests—one, production which would provide jobs, and two, a clean environment—seem to come

in conflict. But let me tell you what the answer is. We can have both, and we shall have both. And the way we can have both is to develop the great resources of this country in a way that they will not pollute the atmosphere, that they will contribute to a clean environment.

And that is why we are going forward in terms of our huge Government programs in research and development for the purpose of seeing that our coal resources can be developed into a clean fuel. That is why we are going forward in our programs for the development of solar energy and nuclear power which, of course, would be clean fuel.

And I can assure all of you here that your Federal Government, working with the States, working with private enterprise, can and will achieve the goal of not only a better and cleaner environment in terms of our water and our air but also the jobs, the opportunity for all Americans that is so important for us to enjoy an environment.

Another aspect of environment that occurs to each of us, of course, is what this magnificent Expo is going to leave as a legacy. It will leave, I trust, some of these beautiful buildings. It will leave a 100-acre park in the heart of the city of Spokane, which was once a blighted area. These will be physical monuments to what you, the citizens of Spokane and the State of Washington, have done in putting on Expo '74.

But beyond those material things, it will leave something else, and that is a new spirit. And what impressed me as I read about how this Expo came about was that the idea did not come from Washington, D.C., it came from Washington State. Those who worked on it, those who conceived it, and most of the money that

went into it, came from the people. And to the people of this State we give you the congratulations for a magnificent achievement.

And it is that spirit, that spirit of individual enterprise, that spirit of doing things and not depending upon someone else to do them for you, it is that spirit that developed the West and the Northwest. It is that spirit that will continue to make America a great nation, we trust, in the years ahead.

There is one other aspect of the environment to which I should like to refer, and it is particularly appropriate that I refer to it in the presence of these very distinguished representatives from the other nations who have exhibits here for Expo '74.

We can have good jobs and fine security and good health and clean air and clean water, and it will make no difference unless we find a way for the great nations of the world to settle their differences at the conference table and not on the battlefield. And that is why we have opened, as you know, negotiations with those who might have been our adversaries, negotiations which did not mean that either we or they agreed with each other in terms of philosophy, but negotiations that had one overriding concern, and that is this: World War I was destructive, World War II was destructive; there cannot be world war III, because it will destroy not only the nations that participate in it, it will destroy civilization as we know it, and we cannot let that happen, and we will not let it happen. That is what we must do if we are to have the kind of environment that we want for the future.

And now in the presence of the representative from the Soviet Union—as he knows, I will soon be having another

round of talks with Mr. Brezhnev and his colleagues in Moscow. We will not agree on all things, we will have sharp debates, but let me tell you this: Whether it is with him or whether it is with leaders of other countries they are allied with or neutral countries in the world, there is no disagreement with regard to the need for all nations to cooperate, share their knowledge and their brains in cleaning up the environment of the world. We are not just talking about the environment of Spokane or the State of Washington or of the United States but of this whole globe on which we live. And that is a great enterprise that Expo '74 will be remembered for in the years ahead.

Because, as we look at where the great ideas, the great breakthroughs come which deal with the scourges which have afflicted mankind from the beginning of civilization, we find that no one can predict that it will come from one nation or from one continent or from one race, because that spark of genius might be in the Americas, it might be in Asia, it might be in Latin America, it might be in Africa. What we have to realize is that among the 3 billion people that live on this Earth, there are those men and women who have within themselves that genius that will find new answers that will help us to get the clean air and the clean water and all the other things that we want to have a clean environment.

And going further than that, in that whole world we must recognize that that spark of genius that will find the answer to the diseases that plague mankind, it may not be here in America, it may be in some other country. But the important thing for us to remember in this period when we have ended America's longest war and when we are moving through a

generation and longer of peace, let us see that not just America but all nations, whatever their differences in philosophy, work together to clean up the environment, work together in the causes of peace, and in that way, we will make the progress that we want to make by the year 2000 which the whole human race can enjoy.

No national pride should be taken in the fact that one nation or another finds the answer to what may cure cancer in its various aspects, what may deal with some aspects of heart disease and many of the others that afflict mankind.

No one nation can take any jingoistic pride in the fact that one of its scientists or one of its technicians found an answer to the problem of a cleaner environment.

What we must do is to recognize that it is together, working together, thinking together, that we will find answers that we would never find if we were not talking to each other, negotiating with each other. And that is why I say to you, my friends gathered here on this magnificent day in the State of Washington, in the city of Spokane, you are dedicated to a great goal, celebrating a new and fresh environment for tomorrow. What will that tomorrow be, and for all those who are young and who will be here to celebrate that new year 25, 26 years from now?

I will tell you what I think it can be, and this is a beginning: It can be a time when the whole world can look back on progress in conquering the scourges of disease that have afflicted all people wherever they may live. We can look back on a period when the whole world enjoyed

the benefits of what our scientists and engineers were able to find out in terms of making our air and our water cleaner and better for everybody.

But most important, let us hope and let us pray on this day that we can look back and say that over that 25 years, the peoples of the world, despite their differences in philosophy, lived together in peace. Let this be a day in which we concentrate, and consecrate as well, not only our efforts in America but also working with peoples in other nations toward the goal of a fresh, new environment in terms of peace for all mankind so that we can enjoy the magnificent environment that you see around us here today.

Thank you.

MARVIN MILLER (master of ceremonies). Ladies and gentlemen, as the fair officially opens, we invite you to celebrate with us "Tomorrow's Fresh, New Environment."

Mr. President, will you say the magic words.

THE PRESIDENT. At 12 noon on this day, acting in my capacity as President of the United States, it is my high honor and privilege to declare Expo '74 officially open to all the citizens of the world.

NOTE: The President spoke at 11:46 a.m. at the Washington State Pavilion.

In his opening words, the President referred to the Commissioners General representing countries having exhibits at the exposition. Also present on the dais was His Eminence, Archbishop Iakovos, Archbishop of the Greek Orthodox Church of North and South America.

Following the opening ceremonies, the President attended a reception in the art gallery of the Washington State Pavilion.

129 Message to the Congress Transmitting Annual Report
of the United States-Japan Cooperative Medical
Science Program. May 6, 1974

To the Congress of the United States:

I am pleased to send to the Congress the Seventh Annual Report of the United States-Japan Cooperative Medical Science Program.

This joint research effort in the biomedical sciences, undertaken in 1965 following a meeting between the Prime Minister of Japan and the President of the United States, continues to focus upon diseases of both worldwide importance and of special significance to the peoples of Asia: cholera, environmentally induced diseases, leprosy, malnutrition, the parasitic diseases filariasis and schistosomiasis, tuberculosis, and the viral diseases dengue and rabies.

The sustained success of this biomedical research program reflects its careful management and the strong commitment of both nations to its continuation. The increasingly effective research planning and communication between investigators in our two countries has intensified our scientific productivity and strengthened our determination to work together toward better health for all mankind.

RICHARD NIXON

The White House,
May 6, 1974.

NOTE: The 17-page report is entitled "Seventh Annual Report to Congress: United States-Japan Cooperative Medical Science Program."

130 Remarks on Signing the Federal Energy Administration
Act of 1974. May 7, 1974

I WOULD like to say, as we put that piece of legislation in the box, that as you know, there are 17 major proposals that I have sent to the Congress in the field of energy. Two now have been passed, the Alaska pipeline and the Federal Energy Administration, a very important bill, now an act, which you gentlemen are responsible for passing.

The Nation is in your debt for all the hard work, the compromise which brought forth a very responsible piece of legislation, and I express that appreciation to you. And of course, we will also appreciate any further action that can be taken on the other energy measures which you, in your judgment, in a bipar-

tisan atmosphere, deem fit to be in the best interest of the country.

We have here, of course, Bill Simon, who tomorrow will leave the—well, not his interest in energy, because he is going to have to have a lot of energy over in the Treasury Department—but he is going to leave that particular position, and we have Mr. Sawhill who will replace him.

But, Bill, this is your, shall we say, swan song, but I hope you can move faster than a swan in your new position.

And it is a very, I think, appropriate occasion that we have this measure now passed so that our new energy director, Mr. Sawhill, will have the tools to do the job in the various areas.

Do you want to say something, Chet? We will recognize the House first, because you have been here a little longer than Abe has.

REPRESENTATIVE CHET HOLIFIELD. Thank you, Mr. President. I just want to say that as chairman of the committee, we want to express our appreciation for the help that the Administration gave us—Mr. Simon and the other witnesses that came up—and also some of their staff that helped us to work out the problems in the bill.

We think we have a good bill here, and we are proud of it, and we hope that it will serve the purpose.

THE PRESIDENT. Abe.

SENATOR ABRAHAM A. RIBICOFF. Mr. President, I think this is the best example of the executive and legislative branches working together. I predict we will be giving you ERDA [Energy Research and Development Administration] within a

month, and you will have two keystones to make the United States independent in the entire field of all sources of energy. And I hope we can continue this cooperation in the entire energy field in the future.

THE PRESIDENT. Will the ERDA bill be a good one?

SENATOR RIBICOFF. Yes, the ERDA bill is going to be a very good one, Mr. President.

THE PRESIDENT. Would you recommend that I sign it?

SENATOR RIBICOFF. I certainly do.

THE PRESIDENT. Gentlemen, thank you very much.

NOTE: The President spoke at 3:15 p.m. in the Oval Office at the White House.

As enacted, the bill (H.R. 11793) is Public Law 93-275 (88 Stat. 96).

Congressman Holifield was chairman of the House Committee on Government Operations, and Senator Ribicoff was a member of the Senate Committee on Government Operations.

131 Statement About the Federal Energy Administration Act of 1974. *May 7, 1974*

TODAY MARKS another important step in our journey toward independence in energy.

Five months ago, when the Nation was still in the grips of the energy crisis, I set up the Federal Energy Office on a temporary basis to deal with our most immediate problems. I also proposed legislation to create an agency to carry on the activities of the FEO on a continuing basis.

The FEO, under the leadership of William Simon and John Sawhill, has been highly effective in allocating scarce fuel supplies, in encouraging consumer conservation, and in initiating a new look at our energy demands in the future.

It has become increasingly apparent during the short lifespan of the Federal Energy Office that its activities should be placed on firmer footing. I therefore take special pleasure today in signing into law the Federal Energy Administration Act of 1974, creating a new, independent agency, the Federal Energy Administration, which will replace the Federal Energy Office. I congratulate the Congress on the passage of this measure and particularly the leaders who were responsible for managing the bill.

The new energy agency—FEA, as it will be called—will provide a more firmly based organization to carry out the re-

sponsibilities of the FEO through June 30, 1976, including:

- Fuel allocation and pricing regulation;
- energy data collection and analysis; and
- broad energy planning with particular emphasis on energy conservation and expansion of energy supplies.

As a first priority, I have directed FEA to work with other Government agencies to prepare a comprehensive plan for achieving the goals of Project Independence—the capacity for energy self-sufficiency by 1980.

The creation of the Federal Energy Administration is an important accomplishment, but we should recognize that by no stretch of the imagination have we yet overcome the energy challenge. There are now disturbing indications that with the passage of the immediate crisis—a crisis that we weathered much better than the critics ever expected—many Americans believe that good conservation habits can be forgotten.

We need continued conservation and major new initiatives to expand our energy supplies for the future. We must get on with the actions that are needed to meet the goals of Project Independence—to reduce the vulnerability of the United States to threats from other nations arising from our growing dependence upon foreign sources of energy.

The Nation is fortunate in having abundant energy resources. Now, with the help of the Congress, we must act to accelerate the development of those resources. Private industry is already moving ahead with investments to increase the production of coal, oil, and natural gas. The Government can assist by removing obstacles to efficient energy production.

The FEA, working with other Federal agencies, will make an important contribution to these efforts. Federal agencies are encouraging new methods of producing energy, such as the commercial use of geothermal energy and oil from our vast oil shale reserves. Further, we are supporting research and development to find new and better ways of using our abundant coal resources and to capture the benefits of solar energy and nuclear fusion. These efforts will be expanded if the Congress provides the greatly increased funding I have requested for fiscal year 1975.

But still more remains to be done by the Congress and the Nation if we are to bring energy supplies and demand into balance. There are now 16 key Administration proposals awaiting action on Capitol Hill, some of them for as long as 3 years. These measures are vital to both the conservation of energy and the expansion of supplies, and I urge once again that the Congress move forward more swiftly in acting on these bills.

As witnessed by the enactment of the Federal Energy Administration Act, we are making encouraging headway on the organizational front. I am also pleased to note that the Senate Government Operations Committee is moving ahead with favorable action on the proposal I submitted last June, and which the House of Representatives passed in December, to create an Energy Research and Development Administration. This new organization, ERDA, would spearhead the Nation's extensive R&D efforts in energy.

I would urge similar speed on bills that would greatly expand our domestic supplies.

One proposal of particular importance is the Natural Gas Supply Act which I

sent to the Congress in April of 1973. This act would replace the current, outmoded system of Federal price regulation with the competitive pricing of new natural gas. The existing system encourages inefficient use and waste of natural gas and destroys the incentive for the exploration and development which would make new natural gas supplies available.

I have also proposed legislation, the Mined Area Protection Act, which would allow mining of coal and other minerals to proceed with reasonable environmental protection and reclamation requirements. This legislation has been awaiting action since 1971. Legislation is needed which does not restrict coal production in unnecessary and arbitrary ways, but instead permits development in a manner which balances environmental considerations with our energy requirements. The legislation presently active in Congress in this area does not meet these needs.

This Administration has also made important proposals regarding the construction of deepwater ports, labeling of ap-

pliances and automobiles for energy efficiency, the revision of nuclear power-plant licensing procedures, and other actions which would relieve our Nation's energy problems in the years ahead.

We have also proposed a series of changes in the tax laws which would recapture the windfall profits that are possible in a period of energy shortage and would give incentives to search for new energy sources at home rather than abroad.

All of these measures are important. The American people this winter showed that they had the spirit to face the energy challenge. Now it is up to the Government to show that it can provide leadership in the same spirit. I welcome the Federal Energy Administration Act as a major step in the right direction.

NOTE: On the same day, the White House released a fact sheet on provisions of the act and the transcript of a news briefing on topics relating to the energy situation by John C. Sawhill, Administrator of the Federal Energy Office.

132 Special Message to the Congress Proposing Salary Increases in the Executive Schedule. May 7, 1974

To the Congress of the United States:

The recent rejection by the Congress of higher salaries for the Executive, Legislative and Judicial branches has created a problem within the Government that needs to be quickly remedied.

Under the law, career officials in the General Schedule—"GS employees" as they are called—cannot be paid a higher salary than anyone on the lowest rung, Level V, of the Executive Schedule.

For the past five years, the salaries of those in the Executive Schedule have been

frozen, and with the recent action by the Congress, will continue to be frozen until 1977.

During the same period, in actions approved by the Congress, the salaries of those in the General Schedule have been gradually increasing.

The result now is that GS employees in the top three levels of the General Schedule—GS 16s, 17s, and 18s—are almost all paid the same salary, \$36,000, which is the same salary as a Level V employee on the Executive Schedule.

For the 10,000 careerists in the top levels of the General Schedule, this salary bunching or "pay compression" denies them fair increases in compensation, robs them of the incentive to seek promotions, and adversely affects their future annuities. Already it is creating greater difficulties in recruiting and retaining top-flight career personnel, and it could lead to a serious decline in the quality of the managerial work force.

To correct this problem, I am transmitting to the Congress today legislation which would raise the salaries of those in the lowest three levels of the Executive Schedule and thereby permit a significant increase in the salaries of those in the highest grades of the General Schedule.

This proposal would raise the salaries

of Level V, IV and III employees to \$41,000, \$41,500 and \$42,000 respectively. No increase would be provided for any Federal official now making more than \$42,000.

By virtue of this reform, there would be a significant reduction in the salary compression for top-level GS employees whose salaries could continue to increase in a way that they deserve.

For the sake of the career employees within the Government and the quality of management which we need within the Executive Branch, I urge the Congress to give this proposal its swift approval.

RICHARD NIXON

The White House,
May 7, 1974.

133 Remarks at the Swearing In of William E. Simon as Secretary of the Treasury. *May 8, 1974*

AS YOU know, we are gathered here today for the purpose of swearing in the new Secretary of the Treasury. And here for that occasion is Mr. Justice Potter Stewart, who will administer the oath of office, and Mrs. Simon will hold the Bible.

The oath of office will now be administered, and after that, I will deliver some remarks with regard to the man who is succeeding to this very important post, and Mr. Simon will respond.

[At this point, Associate Justice Potter Stewart of the Supreme Court administered the oath of office. The President then resumed speaking.]

Ladies and gentlemen, you are all aware of the enormous importance of the position of Secretary of the Treasury. I am sure that all of you who have studied the history of our country know of the very

distinguished men who have served in this post through our history.

There has probably never been a time, however, when the Secretary of the Treasury had greater responsibilities, not only in America but worldwide, than he has at the present time.

And as we have a new Secretary of the Treasury, I would like to say a word about the one who is leaving this post, but who fortunately will be advising the President, he has told me, whenever his advice is needed and will be undertaking some responsibilities, particularly in the field of international economic affairs, on what we call an ad hoc basis.

First, as I look back over the career of George Shultz, I remember that I met him when I was Vice President and he

was, I understood, an economist from Chicago. At that time, I thought an economist was an economist, but he quickly explained an economist from Chicago was very different. And since that time, he has indicated his strong philosophical beliefs with very great eloquence in all the positions that he has held.

The second thing I should mention is that during this Administration he has held positions of enormous importance: Secretary of Labor, the Director of the Office of Management and Budget, and of course, Secretary of the Treasury. And in each of these positions he has brought, first, a dedication which simply couldn't be exceeded.

Of all the people in this Government, I don't know of any man who has worked longer and harder with greater dedication than George Shultz. He has also brought, as we all know, high intelligence and great wisdom in the advice that he has given to his colleagues and in the advice that he has given to the President in both the international and the domestic areas.

George Shultz is a fine man; he is a good man. He, I am happy to say, is my friend, and he is a man whose shoes are hard to fill.

And so, as we looked for a man to succeed him, our search was very broad. There were a number of splendid individuals who could perhaps, we thought, fill that position. But the man that we thought, by what he had done both in the private sector and in Government, had demonstrated that he had the capacity to step into the shoes, big shoes that George Shultz had filled so well—Bill Simon's record in business is well known. He was successful. Like so many who came to Washington, he came here at great personal financial sacrifice.

And then, when he came to the Government, he demonstrated his capacity as an administrator as the Deputy Secretary of the Treasury. He had good training, on-the-job training under a very great Secretary of the Treasury. And then, when we had the energy crisis, we had to turn to an individual within the Government who understood that problem. And here he demonstrated not only to his colleagues within the Government but to the whole Nation that he was a man who could not only inform the Nation in a very effective way of what the problem was about and gain the cooperation of the people as well as Government officials in a program to deal with that problem, but he also developed those programs with the assistance of others, those programs that have moved us through that crisis.

It is not yet something that we can say is not a problem—it is and will continue to be—but we are on the way to solving it. And the fact that we have moved through what could have been a desperate crisis and what is a desperate crisis for many countries abroad, that we have moved through it so successfully is due, in great part, to the leadership of Bill Simon.

I was trying to think of how to describe his philosophy. He does not claim to be an economist. I don't believe he went to the University of Chicago. But he did graduate someplace. [*Laughter*]

Most important is that Bill Simon, in the field of energy, Bill Simon, in the field of economics here in the United States, has one fundamental belief that is the cornerstone of our economic philosophy: And that is that the answer to whatever problem we have, to more jobs and more growth for our economy, the answer to the problem of inflation, particularly when it is a demand-pull inflation, is not

controls, but the answer is more productivity.

He argues for that, he stands for that, and in business he practiced that, and in his personal life, I understand, he practices productivity. [*Laughter*]

He has one distinction in which he can one-up any member of the Cabinet, because here, we are very proud to say, along with his lovely wife, Mrs. Simon, we have seven Simon children.

And so, to the man who believes in productivity and who practices it, I am proud to present the new Secretary of the Treasury, Mr. William Simon.

[At this point, Secretary Simon responded to the President's remarks. The President then resumed speaking.]

Now, ladies and gentlemen, we had a very long economic meeting yesterday—over 2 hours—and Bill Simon came down very hard for keeping Government spending down, for austere policies in terms of Government spending as one of the tools that Government could use in order to deal with the problem of inflation, recognizing, of course, that the final answer is productivity of the economy, which we all support.

And so, before planning this program, we were wondering if this man of austerity would approve of some Government funds being used for what occurs right

now. It occurred to me, however, that not only because there are so many distinguished guests but because we have this wonderful family here—and young people are always just a little hungry—we should have refreshments.

Now we will have the refreshments.

NOTE: The President spoke at 11:40 a.m. in the East Room at the White House.

Secretary Simon responded to the President's remarks as follows:

Mr. President, Mrs. Nixon, Members of the Cabinet, distinguished Members of Congress, my family, and friends:

To serve one's country under any circumstance is a privilege, but to serve one's country in the extreme position of responsibility as Secretary of the Treasury is not only a privilege, it is a rare opportunity.

The number one problem facing us in our country today is, obviously, inflation. The solution to this problem is going to require a determination, a political will, a close cooperation between the executive and the legislative branch of our Government.

I promise you, as indeed I have in the past, to work closely and cooperatively with the Congress on these issues, as well as all the other critical issues that we face.

In carrying out my responsibilities, Mr. President, I pledge to you that I will approach all of the problems with a humility and a determination, that I will justify the faith that you have placed in me, the faith that the Senate in confirming me placed in me, as well as that of the American people.

Thank you.

134 Statement About Voter Approval of the District of Columbia Home Rule Charter. May 8, 1974

THE STRONG VOTE by the citizens of the District of Columbia in favor of the home rule charter is a most welcome development. I am pleased that District voters have chosen to set the city firmly on the path toward local self-government.

It is most appropriate as we approach our Nation's Bicentennial that the residents of the National Capital should again exercise their rights to elect their own local officials.

The new government will offer the means for greater decisionmaking respon-

sibility and control at the local level, a goal for the Nation that this Administration has consistently sought.

As the District embarks on its new course, the Federal Government will take every appropriate action to insure that the transition to the new form of government is a smooth one. The transfer on July 1, 1974, of certain quasi-Federal

agencies to the District will enhance the city's ability to deal with problems in planning, housing, community development, and manpower programs. We will also work closely with the city government in whatever way is needed to insure that this memorable step toward self-government is a success in the District of Columbia.

135 Statement About Plans and Pending Legislation To Revitalize the Housing Market. *May 10, 1974*

THE MAIN thrust of the economic policies of this Administration is the fight against inflation, but in carrying it forward, we are also seeking to minimize problems on other fronts.

One such problem which has arisen has been a weakening of the housing market. As a means of controlling inflation, the Federal Reserve Board is carefully—and appropriately—limiting the growth in the supply of money so that general demand will be dampened and inflation can be reduced. An inevitable consequence of limiting the supply of money is that interest rates have risen and the amount of money available for loans of all kinds has become harder to obtain.

The higher cost of money affects all sectors of the economy, but none more directly than the housing market. The Nation's housing industry, which had been producing homes at record high rates in 1971, 1972, and 1973, is now operating far below its potential. Savings institutions find they have less money available to lend, as depositors and potential depositors seek higher rates of interest on market instruments. With this shrinkage of available housing funds, home buyers

are either unable to find mortgage money, or the mortgages that are available are offered on terms which fewer families can meet. The homebuilder finds it increasingly difficult to sell the homes he has already built, and with the uncertainties of the availability of such mortgage funds, he is understandably reluctant to produce more housing. As builders curtail operations, workers in the construction trades face the prospect of increased unemployment.

I pledged 2 weeks ago that the Federal Government would take action to alleviate these conditions, and today I am announcing a four-point plan to do just that. These actions will assure the availability of more than \$10 billion of mortgage money for the housing market during 1974 beyond the funding already provided through prior actions.

I. IMMEDIATE ACTIONS

1. INCREASING AUTHORIZATION FOR TANDEM PLAN

The Tandem Plan is a very useful instrument for supporting the housing mar-

ket in times of credit stringency. Under this plan, the Government National Mortgage Association (GNMA) commits mortgage money to lenders making FHA-insured or VA-guaranteed mortgage loans on new homes. When the home is completed and sold, GNMA purchases the mortgage from the lender. Mortgages purchased under the Tandem Plan are resold by GNMA at a price reflecting the prevailing market interest rate.

The advantage of the plan is that with the GNMA commitment, the home buyer, builder, and lender have an assured source of financing at a known, favorable interest rate. The cost to the Government is limited to the loss which GNMA realizes if its selling price for a mortgage is less than its original purchase price.

In January of this year, I approved authority for GNMA to make commitments to purchase up to \$6.6 billion of FHA/VA mortgages covering new construction and bearing a 7¾ percent interest rate. This authority was enough to provide financing for at least 200,000 new housing units. As should be expected, today's higher market interest rates and the decreased availability of mortgage money have greatly accelerated general use of the plan by lenders in the last few months. It is clear that the original authority for \$6.6 billion of commitments will be fully used long before the end of the year.

I am today authorizing GNMA to extend Tandem Plan up to \$3.3 billion of mortgages, enough to finance at least 100,000 additional homes. The interest rate on these mortgages will be 8 percent which is even lower in relation to today's market rates than the 7¾ percent was in relation to the market in January.

2. INITIATING A NEW MORTGAGE COMMITMENT PROGRAM

At my request, the Federal Home Loan Bank System is initiating a new commitment program which will cover mortgages other than FHA or VA mortgages. This new conventional mortgage program will allow the Federal Home Loan Bank System to buy up to \$3 billion worth of new conventional mortgages from savings institutions during the remainder of 1974. The program should finance more than 100,000 housing units. These commitments will be made on conventional mortgages of \$35,000 or less, covering new construction. The interest rate will be 8¾ percent, which is substantially below the market rate prevailing in many parts of our country. In the event conditions in the money market do not permit the Federal Home Loan Bank System to obtain the necessary funds in the private market, the Treasury will provide financing under its statutory standby loan authority.

The conventional mortgage market normally does not require this type of Government support, but present circumstances warrant these unusual measures. It is my hope and expectation that future market conditions, together with the improvements in the flow of mortgage money that should result from legislation I have proposed, would obviate any need to use such Treasury authority again.

3. MAKING BELOW-MARKET ADVANCES TO THRIFT INSTITUTIONS

At my request the Federal Home Loan Bank System will make available up to \$4 billion of advances to thrift institutions

at a rate below the system's current borrowing costs. Those thrift institutions which are actively lending money for home financing will be favored in receiving advances. The system already has advances outstanding of over \$16 billion, a record level of support to the thrift institutions.

4. ASSISTING THE MOBILE HOME MARKET

Under legislation effective earlier this year, I am authorizing a new FHA Mobile Home Loan Insurance Program which should make purchase of mobile homes easier than it has been in the past. The new rules will provide for FHA-insured loans for mobile homes on terms substantially better than those presently available in the market. The program will also make more funds available to mobile home purchasers through the use of GNMA's Mortgage-Backed Securities Program.

II. PENDING LEGISLATIVE PROPOSALS

None of the actions noted above requires Congressional approval. But if the Nation is to build the foundation for a more stable housing industry, less susceptible to the market fluctuations which now characterize the housing market, certain steps must be taken which require Congressional action.

On September 19, 1973, I proposed a number of measures to the Congress in a special housing message. None of these measures has been enacted. Together, they will go far toward establishing an orderly housing market. In particular, I want to call attention to five of them:

—Extension of the authority to issue FHA insurance and extension of the maximum size of mortgages which GNMA

can purchase. Without these steps, FHA insurance and GNMA's activities would be stopped in October at a time when they are most needed.

—Increases in the size of mortgages eligible for FHA insurance and reduction of downpayment requirements. Such changes would appropriately reflect the higher prices of houses today.

—Authority for the FHA and VA interest rates to adjust automatically to the market. Trying to fix an interest rate administratively results in market discrepancies that act to divert funds from FHA and VA mortgages and to increase discount "points" in the sale of houses. Neither is desirable. A free-floating FHA/VA interest rate would eliminate both. For example, the FHA and the VA today are raising the maximum interest rate on their insured mortgage loans to 8¾ percent from the former rate of 8½ percent. This rate more closely corresponds with the market interest rate and will reduce the number of "points" which are now being charged under VA and FHA loans. This will be the fifth time in the last 12 months that the FHA rate has been changed administratively in the effort to adjust to market rates. A floating system would allow these changes to be made automatically to adjust to the market.

—Authority for FHA mortgage insurance to be written on a coinsurance basis. This provision would streamline FHA processing, reduce the default rate, and permit a lower FHA insurance premium.

—Authority for more flexible repayment plans on FHA-insured mortgages. This experimental measure would allow, among other things, for somewhat lower payments in early years, which will be of particular benefit to young families whose earnings are likely to rise in future years.

This procedure is already allowed by the Federal Home Loan Bank Board for conventional loans.

I urge swift enactment of all of these measures as well as the prompt enactment of the Financial Institutions Act now before the Congress. The coordinated and interrelated financial reforms incorporated in the latter act, such as the mortgage interest tax credit, will greatly strengthen our financial institutions, offer better financial services and greater rewards to savers, and assure a greater and more stable flow of funds into mortgage markets without the need for Government intervention. All of these measures are important and merit prompt action.

While the initiatives announced today are aimed at providing increased money in the mortgage market, I would point out that in addition to these proposals, I have already authorized or requested budget authority from the Congress for 418,000 units of subsidized housing for low-income families. Some 290,000 of these units are for new construction, and the remainder are for leasing of existing housing units.

These are positive steps, but the best long-range solution to the housing prob-

lem is to conquer the inflation problem. Inflation picks at the pocketbook for other items; it leaves less to save for a downpayment on better housing or for higher monthly payments for better housing.

Inflation increases the cost of the housing itself, as higher prices for money, for land, for labor, for building materials, push up the cost of each housing unit.

That is why the most important steps which we can take to assure a healthy housing industry and more possibilities for homeownership are those which tend to lower the rate of inflation and raise real income.

NOTE: On May 10, 1974, Secretary of Housing and Urban Development James T. Lynn met with the President to discuss Administration actions to alleviate conditions in the housing market.

On the same day, the White House released a fact sheet and the transcript of a news briefing on the plans and pending legislation to deal with the housing market situation. Participants in the news briefing were Secretary Lynn and Assistant Secretary of Housing and Urban Development for Housing Production and Mortgage Credit Sheldon B. Lubar.

136 Remarks at Vance Air Force Base, Oklahoma.

May 11, 1974

MRS. NIXON and I want to thank all of you for giving us this wonderfully warm—warm in terms of climate and also in terms of your enthusiasm—Oklahoma welcome.

As you probably noted, we have some very distinguished guests with us on the *Spirit of '76*. I know you have met them all before, but I think you ought to see them all—and first, of course, my wife Pat.

And somewhere in the crowd I saw

some Bellmon Belles, so Henry Bellmon better get up here. Where is he? Henry Bellmon. You can stay up here. You rank high enough. That is right.

And Dewey Bartlett, Governor and Senator now. It is a great team. Don't break it up, right?

Now, if these two Senators will step down, I would like to get a couple of other important people here. We have two Congressmen here. I will introduce them in

terms of their seniority. John Jarman from Oklahoma City.

And then another fellow that you all ought to know because he represents this district, Happy Camp.

Now, this is, of course, a nonpolitical gathering, and I want all of you to know, though, that as I went down the line meeting people, you wondered who I was shaking hands with. They were all Happy's relatives.

Let me just say a few words with regard to this crowd from the Enid area and also from the Vance Air Force Base.

First, with regard to the base. This is a training base, not one of our largest ones, but one of our most important. But I want all of you to know that Americans today—at a time that everyone in our Armed Forces is there because he wants to be, he is a volunteer—Americans today should stand tall and proud whenever we have men in uniform serving this Nation, serving as the peacemakers of the world. Let's give a hand to those at the Vance Air Force Base.

And let's always remember we want to keep that strength, because a strong America is essential if we are going to have peace and freedom for all these young people for this next generation, and they are our hope and your hope, as well.

And then finally, just a word about the Enid area. When people mention various cities in this country, they often wonder if I have been there. Well, it is very hard for me to find one of any size I haven't been to at some time or another.

I remember coming to Enid and receiving a very warm welcome. And I partic-

ularly appreciated it, because I came when I was out of office, with no political prospects, and when you received me so well then, let me tell you, it makes it doubly happy for me to come back and be received so well now. We thank you from Enid for coming out. This is such a great crowd.

And just a word, too: We sort of take for granted when "Hail to the Chief" is played by a band, and all the practice that went into it, because it isn't, you know, on the numbers that they usually learn, but I want to say that I have never heard "Hail to the Chief" played better than by the Enid High School band. Let's give them a hand.

And finally, there is such a huge crowd here that it is not possible for us to shake hands with everybody, as we would like to. I just wish we could go down the line and tell you how much we have appreciated your support in the very few minutes that we were here. To go by and have people say, "Hang in there; we are with you," believe me, that does your heart good.

And I can assure you in the presence of all of our good friends—and I know many here are perhaps from other States, but most of you are from Oklahoma—that I have that old Okie spirit, and I've got it deep down inside, and we never give up.

Thank you.

NOTE: The President spoke at 6:53 p.m. at Vance Air Force Base, Enid, Okla.

In his remarks, the President referred to the Bellmon Belles, a group of women supporters of Senator Bellmon's 1974 reelection campaign.

137 Remarks at Commencement Exercises at Oklahoma
State University, Stillwater, Oklahoma. May 11, 1974

Dr. Kamm, all of the distinguished guests on the platform, all of the distinguished members of the faculty, and particularly, of course, the most distinguished people here of all, those who are to receive degrees, both graduate and undergraduate, and your friends and those who have made it possible for you to be here today:

Let me say, Dr. Kamm, that I am most grateful for the invitation that was extended to me to come to this university. My good friend Senator Henry Bellmon said that this school had had once a tradition of noncontroversial speakers. Well, now you have changed it tonight.

And in the great tradition of an educational institution, I am very happy that there are some here who obviously disapprove of the speaker and there are others who approve of the speaker.

And all of you, of course, are welcome, and my remarks will be directed to all of you in the sense that I know you will receive them, of what this day means to those who are receiving their degrees from one of America's greatest educational institutions.

I would like to say first, however, before getting into the more serious parts of my remarks, that I am very happy to be standing here at this particular spot. As some of you probably have heard, I am somewhat of a sports fan, and as some of you probably know, the university that is best known from Oklahoma in football is not the Cowboys, but the Sooners.

On the other hand, I am aware of the whole realm of sports, and I am aware of the fact that, except for my wife's alma

mater, the University of Southern California, the university in all the United States that has won more national championships across the board is OSU. So, congratulations. I know you are very good at wrestling. I could learn a little from you at that, too.

Let me say, too, that when I spoke of the fact that I was somewhat of a sports fan, I was one of those who spent virtually all of my time on the bench, and to be in the middle of the field is really an unusual experience, and I thank you for that, too.

On this particular day, I also want to pay tribute not only to the graduates to whom my remarks will be addressed primarily but—as already has been done so eloquently in the invocation, and also by Dr. Kamm—to those who taught them and to their parents and others who have made it possible to get their education. And I can say to you who are graduating today, as the years go by, each year you will appreciate more the sacrifices of your parents who made it possible for you to get an education that they may not have received. I have always felt that way. And as the years go by, you will appreciate more the dedication of those who taught you, and as a matter of fact, strangely enough, you will probably appreciate the most those who graded you the hardest, because they were the ones who made you toe the line.

And so, to the faculty and to the parents and all those who made it possible for this great day of achievement, the congratulations not only of this great audience here go but of the whole Nation, for produc-

ing 4,000 fine young men and women to go forth in the service of their communities, of their States, of the Nation, and as I will point out, also of the entire human race.

On an occasion like this, it is of course, customary to talk, as we should, about the future. It is, however, on an occasion like this, certainly not appropriate to disregard problems of the present. I know, for example, from talking to both of your two great Senators and to the two Congressmen who are here—John Jarman, Happy Camp, Senator Bartlett, Senator Bellmon—that farmers in Oklahoma, like farmers in other places, are concerned by the effect of the energy crisis on them, the shortages in fertilizer and in other areas.

I know that the cattlemen, for example, are concerned in Oklahoma, as they are in every other part of the country, because after a very, very good 2 years, they have a tough year this year because of a cost price squeeze. I know, too, that every housewife—or budgetkeeper, should we say—is concerned about the problem of inflation, which is not limited to America. It is worldwide, as you know, but that makes it no less a difficult problem or one that we should be less concerned by, the fact that it is others' as well as our own. And I know, too, that those who are interested in our country have been concerned, as I have been deeply concerned, by the political problems that we have had in Washington.

I can only say on this nonpolitical occasion, this: that having presented all of the evidence to the Congress of the United States, I trust that the House of Representatives will act promptly so that we can reach a decision, so that the President,

the Congress can get on with the people's business, as we should.

And having spoken of some of those problems, let me also remind ourselves of some of those things on this magnificent evening we can be thankful for. We can be thankful that for the first time in 12 years, the United States is at peace with every nation in the world.

We can be thankful that for the first time in 8 years, every American prisoner of war is home where he belongs and that he came home on his feet and not on his knees.

And most of all—and I say this not only to those in the graduating class but to the juniors and sophomores and the freshmen and, I trust, the generation to come—we can be thankful that for the first time in 25 years, no young American is being drafted to serve in the Armed Forces of the United States.

As we look at our economic situation, we see its problems. But just a few weeks ago in Paris, I talked to the leaders of 35 nations, the great nations of Europe and of Asia and some of the smaller nations of Latin America and Africa. I talked to them of their problems, and we talked of ours. And today, on this beautiful evening, we can also be thankful that whatever our problems are, that in America, Americans enjoy more freedom, more opportunity, better jobs, higher wages, and a greater chance for a great future than in any place in the world.

That is America. This is a great and a good country. But we must go from here to more greatness. As you study history, you will inevitably find that the time of a nation's potential destruction is not when it is weak, but when it is strong, or appears to be; not when it is poor, but when

it is rich. Because what happens inevitably is a certain complacency, a certain softness that erodes the strength and the fiber that made the nation the great nation that it was.

In 2 years, the United States will reach that period of 200-years-old, and already there are those who look at America and wonder: Will we be rich, as we will be? Will we be strong, as we will be? But most important, will America still have the sense of vision, the sense of destiny, the sense of character and drive and determination that brought us across the mountains, across the prairies, and made us the great and strong nation that we are? That is the question.

And it is a question that is very important to Americans. But it is also important to all the people that live on this Earth today.

Dr. Kamm was telling me that this university proudly has in its graduating class representatives from over 40 countries abroad as well as representatives from 47 States. So, this is truly a university in the true sense of universal, and therefore, as I lay before you the challenges of the future, whether America has seen its great period, or whether the next 200 years may be greater, as I lay those great challenges out, you will see that they are not just America's challenges but they are those in which what America does will contribute to the benefit of all the people in the world.

I start with one that is very timely, and that is the problem of energy. And on that problem, those in this university have special skills and knowledge far beyond my own, but I do know this: that America consumes approximately 35 percent of the energy in the world.

I know too, however, that America is blessed with great natural resources and great human and technological skills which makes it possible for this Nation—one of the few nations in the world, incidentally, of the industrial nations—to set a goal which it can achieve, a goal of being completely independent in terms of its energy needs.

Let me tell you why we should have that. In September and October and November of last year, we went through a great crisis. It rebounded throughout our entire economy. It hurt all sectors of it in various ways. We are just recovering from it.

We want good relations with all nations in the world. But if the United States has the resources to become independent of any other nation for our energy, let's do it, and we can do it, and we shall do it by the year 1980.

Now, what does that require? It requires the development of our oil and gas resources and some action by the Congress that will allow their full development. It requires the development of our coal resources, in which we have two-thirds of all the known coal resources in the free world. We have not used them adequately because of environmental problems and other problems recently, but it is possible not only to extract coal but to use coal and to make it a clean fuel. And if we do so, that can help make America self-sufficient in energy, and that is why we should move on that front.

And third, in areas little dreamed of 15, 20 years ago—nuclear power, which can be the cleanest and the safest of all power, solar energy, far out perhaps in terms of what the science and art would now seem to suggest, but certainly pos-

sible—what I am simply saying to this graduating class is that we have a goal. That goal is, by the year 1980, to be independent in energy. It is going to take the cooperation of government. It is going to take your technological and other abilities to the extent that you work in these various areas. But it is a goal worth achieving. It will help us, and it will help other nations as well.

To put it in its proper context, let us understand what the mix is in terms of who does what. The Federal Government has a great role to play in this respect. We will be spending approximately \$15 billion in research in the field of energy over the next 3 to 4 years. That is a very large amount of money. On the other hand, over the next 10 years private enterprise will be spending \$500 billion, a half a trillion dollars, to achieve the goal that I am referring to.

And it allows me to make this point: America became what we are—we became rich and productive and strong—not because of what government did, but because of what people did. And it is people in our private capacities—that is what counts. You are the ones that are going to make America move forward in this and in all the other areas as well.

And now to a second great challenge for this splendid generation of Americans, and I refer to the challenge of food. We are blessed richly in America in this respect. I know that many who write me about the cost of living speak about high grocery bills, and yet even at their highest, due to the productivity of America's farmers, due to the fact that they have been able to produce more with less people, today the American housewife pays a smaller percentage of her budget for food than does any housewife in the world.

That is to the credit of America's farmers. It is to the credit of our distribution system. It does not mean that we perhaps cannot do better over a longer period of time in bringing those prices within those realms that everyone feels that he or she can afford. But what I do say is this: This is no time for jingoism as to who is number one or number two on this or that or the other between countries, but there is one area where America is by all odds number one, and that is in agriculture.

And looking to the future, the fact that America is so productive in agriculture that we produce enough to feed all of the American people, to clothe the American people, and to provide billions of dollars in aid as well as in sales to countries abroad, that is a great instrument for peace in the world, and we are using it for peace as well as for humanity. So, those who are in this field of American agriculture deserve the thanks of the Nation, and this university has played, I know, a very great role in that respect.

When I think, too, of one of your former presidents, Dr. Bennett,¹ the first director of point 4, I think of another area in which American agriculture can play a role in dealing with the problem of hunger for the whole world. In a visit to Brazil in 1967, I was talking to the then President. Northern Brazil at that time was one of the poorest areas of the world. It is still very poor. I have seen poverty in many places—in India, in Bolivia, in

¹ Dr. Henry G. Bennett was Administrator of the Technical Cooperation Administration in 1951. The Administration was created by Congress to implement the point 4 program by providing technical assistance to underdeveloped areas of the world in such fields as education, agriculture, and health. He was president of Oklahoma State University from 1926 to 1951.

Brazil, in China—and I can tell you that as you look at the hungry faces, it doesn't make any difference what the political philosophy may be of those who rule them. When you see the hungry children, it makes no difference about what the attitudes of their leaders may be. It is a problem. Your heart goes to them. And America, to its credit, has always been very, very generous in providing from our surplus for their needs.

But now what has happened? The world is producing a little more. The demands are becoming greater. And as a result, we find that we face a potential situation with regard to food shortage, not only in America but in the world.

I come back to my conversation with the President of Brazil and what America can do there and in many other places. You have heard of the miracle rice and the miracle wheat, what it has done, for example, in Latin America in the one instance, and in the case of rice in Southeast Asia, in alleviating hunger by increasing production.

But there is another phase. It is not just in teaching farmers how to plant but it is the whole process of not only producing food but distributing it. And in Brazil, for example, the President told me that over one-half of everything grown on the farms in Brazil spoiled on the way from farm to market.

That is one country. I could repeat that for others, for India, certainly for China, for many others around the world.

What can America do about it? I am not suggesting that we export our farmers, but I am suggesting that American know-how, American technology in this area is a place where we—we can do something not only for ourselves but for others as well.

And that is why the World Food Conference, which we have helped to initiate this November, is a great enterprise and one that this young generation, I trust, those in this field, will follow through on in the years ahead. Because even though it may not be very close at home to you, think of those people, as my wife and I have seen them, in virtually every country of the world. When a person is hungry, when a person is poor, we cannot have a world that will live in safety if that situation is not remedied. It can be remedied, and we can help, and you have already helped.

The third area that I want to speak of, where we have a great challenge, is in the field of health. I understand from Dr. Kamm you do not have a school of medicine, but you have many who will, of course, be involved in the various medical arts in one way or another, and all of you, of course, will have an interest, I am sure, in this area.

But here, what we have now before us is an achievement that Americans have dreamed about but have never been able to achieve before, a program in which every American will have health insurance if he needs it; where every American will have protection against catastrophic illness where he needs it or wants it, and where this can be accomplished without additional taxes, and most important, where it is accomplished not by destroying the existing private medical system which has given us the best health care in the world, but by building on it. Because I say to you, let us remember, when an individual is sick, I think he prefers to have a doctor who is working for the patient rather than for the Federal Government, and that is what this program is all about.

The fourth area is related to the third in a very interesting way. You hear of the great hostility—and there is hostility at times in the philosophy of the United States and that of the great super power, the Soviet Union, and the super power of the future, the People's Republic of China—and you wonder, what areas are there where our interests do not collide? What areas are there where our interests are together? And there are many.

They do not receive the attention that they should: the joint project, for example, of the United States and the Soviet Union exploring space peacefully; the joint programs that we have developed with the Soviet Union and some also with the People's Republic of China, in the field of the environment where we share what we learn with them and they with us; and the joint programs, for example, that we have, and I mention this particularly in the field of health.

I found that in my talks with Mr. Brezhnev and with Mr. Chou En-lai and Mr. Mao Tse-tung, each in individual conversations emphasized the need, whatever differences in philosophies that we have, that the scientists and the medical technicians and doctors of the world should have no disagreement about working together against the diseases which are the scourges of mankind.

Just to recount to the younger members of this graduating class how much has happened in so few years, it is hard to realize that the man who served longest as President of the United States—12 years—was crippled with polio, because that was before the days of television and we did not think about it. He served well. But it is also well for us to realize that today, he would not have had polio.

We all think of this in personal terms.

And I remember in our own family, 45 years ago, two brothers—one younger, one older—died of tuberculosis within 2 years of each other. Today, that would not happen, not in my family or in yours, because they have found the virus and they can kill it.

And that is why we have mounted within the Government of the United States a great program to find the cure or a number of cures, and it may be a number, for different types of cancer. That is why we have mounted programs, also, in the field of heart disease and many other areas. Oh, I do not mean to suggest that we are looking forward to a time when there will be no diseases and when men and women live forever, but I am saying this: that what we do here in the United States will be great in these years ahead because of the effort that we are putting in, but I also know that in the Soviet Union—and I have seen their hospitals there—and in the People's Republic of China where one-fourth of the ablest people in the world live, that there are doctors, there are people—men and women of genius. And if there is a way that the genius that they have and the genius that we have or that some other people, whether they are in Europe or Latin America or Southeast Asia, has, where those two types of genius can rub together, we may get that spark that otherwise might not occur if we live in isolation.

And that is why I say, what a great time for a new generation—to think that you live in an open world, that you live in a world where we are not isolated from one-fourth of all the people in the world, that you live in a world where we still have differences that we are attempting to negotiate rather than to fight about, but

that you live in a world where you can look forward to working with other people whoever they are, whatever the color of their skins, whatever their background, whatever their political philosophy, but to work with them and not against them in those common causes of a better environment, a healthier world, a better world. This is a great goal.

And I say to you tonight that on this goal, you have often heard me speak of the need for us to work for what is called the generation of peace. That is stating it in much, it seems to me, too inadequate terms, although it would be more than we have had in this century, because Americans fought World War I and thought it was the last. And then came World War II for the sons of those of World War I. And after World War II and the United Nations and all the great hopes, we thought, now a period of peace. And the younger brothers of World War II were killed in Korea. And after Korea came Vietnam, and the sons of those who fought in World War II and Korea, or their younger brothers, lost their lives there.

And now what? It is not enough to end wars. What we must do is to build a new structure of peace in the world, and that requires something that America, and America only, must play a leading—and, in the free world, the leading—role.

Because today, as distinguished from the period before World War I and World War II, we cannot look across the seas to Europe and say, "Oh, the British can do it, or the French can hold the line." There is no other nation in the free world that has the strength militarily, that has the productivity economically, that can provide the leadership role that America is providing today in negotiating a reduction

of nuclear arms with the Soviet Union, in opening a dialog with the People's Republic of China, in attempting to find, in one of the most diplomatic ventures of all time, in attempting to find a way in which peace can be brought to the cradle of civilization, the cradle of civilization and the religions—of many religions—in the Mideast, which could well be equated as the Balkans of the 1970's unless we do something about it and do something now.

I do not suggest to this audience where you, particularly in your schools of arts and sciences, have concentrated on these subjects, that the way to peace is easy. And I would never suggest that once you get peace, you have it, because peace is a continuing process, it is never an end.

But the United States today has the unique position because of our strength, because of our wealth, because we are respected, because it is known throughout the world that we seek domination over no other country, that we will not use our power to destroy peace anyplace or to destroy freedom, only to defend it. Because of these factors, America now has a chance, a chance that may never come again, to play the role of peacemaker in the world. And the question is, will we meet the challenge?

And the answer is not just in government, not just in the present leaders, the answer is in all the great mass of the American people: whether a nation that has sacrificed so much is willing now still to play a world role, whether a nation like America, which is so rich, still has the strength, the vision, the sense of destiny to play that role.

To the members of the graduating class, I think you have it. To the members of the graduating class, I want you to know

that in 25 years, plus one, they are going to be celebrating a new year. Most of us will not be around, but you will. It comes once in 1,000 years. And on that new year, you will look back to this day, and then you will judge your generation.

Let me tell you what I think you will be able to say. Yours was the generation that was there, that had the strength and the stamina to see that America played a responsible role so that we did have peace in the world for a generation. Yours was the generation that helped America become self-sufficient in energy, that helped America to develop the food resources for ourselves and other nations so that the level, as far as people's abilities for nutrition is concerned, was raised not only for ourselves but for all people. Yours was the generation during which great

strides were made forward in terms of fighting the scourges of disease wherever they existed throughout the world, and most of all, that yours was the generation, a generation that asked questions, a generation not afraid of controversy, but a generation that, when the chips were down, was strong in the right, believed in what we were doing.

I say to you, when the year 2000 comes, I am confident that the members of the class of 1974 of Oklahoma State University will look back and say: Yes, we met the test. Ours was the great American generation.

NOTE: The President spoke at 7:58 p.m. at Lewis Field.

Robert B. Kamm was president of Oklahoma State University.

138 Message to the Senate Transmitting Protocols for the Extension of the Wheat Trade Convention and the Food Aid Convention. May 14, 1974

To the Senate of the United States:

For the advice and consent of the Senate to ratification, I transmit herewith the Protocols for the Extension of the Wheat Trade Convention and the Food Aid Convention constituting the International Wheat Agreement, 1971, open for signature in Washington from April 2 through April 22, 1974. The Protocols were formulated by a Conference of Governments which met in London on February 22, 1974.

I transmit also, for the information of the Senate, the report of the Department of State with respect to the Protocols.

The Protocol for the Extension of the Wheat Trade Convention, 1971, extends the Convention until June 30, 1975, and

maintains the framework for international cooperation in wheat trade matters. It also continues the existence of the International Wheat Council.

The Protocol for the Extension of the Food Aid Convention, 1971, also extends until June 30, 1975, commitments of parties to provide certain minimum annual quantities of food aid to developing countries. The United States intends not to deposit ratification of this Protocol unless the European Economic Community remains a party. This intention was formally recorded by the United States in a written declaration made at the time the Protocols were signed.

Both Protocols provide that instruments of ratification shall be deposited no later

than June 18, 1974. The Wheat Council may, however, grant an extension of time to any signatory government that has not deposited an instrument of ratification by that date.

It is my hope that the Senate will give favorable consideration to the two Protocols so that, subject to the European Economic Community remaining a party to the Food Aid Convention, ratification by the United States can be effected and

instruments of ratification for the Wheat Trade Convention and the Food Aid Convention can be deposited without undue delay.

RICHARD NIXON

The White House,

May 14, 1974.

NOTE: The texts of the protocols and accompanying papers are printed in Senate Executive C (93d Cong., 2d sess.).

139 Remarks on Signing Two Bills Providing for Drug and Alcohol Abuse Prevention. *May 14, 1974*

WE WANT to say, first, that this is again a demonstration of bipartisan support for subjects that have no partisan connotations whatever. When we talk about drug abuse and alcoholism, the party lines are crossed, and when we talk about solutions, it is very encouraging to find that both Republicans and Democrats have worked long and hard for both of these measures and that now we have the tools, we believe, or some of the tools that are necessary to deal effectively with them.

So, I want to express the appreciation of the Nation to all the Members of Congress, but particularly to the members of the committee who are here present, for getting this legislation passed. And now it is up to those who have the responsibility within the Administration to see that it is properly implemented.

And finally, as much as anything else, there is the need for—in addition to the money, in addition to the Government action—there is the need for education, in

which the leaders, all of whom are represented here, can play a great role, and we trust that you will do so—education in terms of how our younger people can avoid the problems with either drug abuse or alcoholism in the years ahead.

NOTE: The President spoke at 12:15 p.m. in the Oval Office at the White House. Present at the bill signing ceremony were Members of Congress and Federal officials responsible for the treatment and prevention programs.

As enacted, S. 1115, the Narcotic Addict Treatment Act of 1974, is Public Law 93-281 (88 Stat. 124), and S. 1125, an act concerning alcohol abuse and alcoholism prevention, treatment, and rehabilitation, is Public Law 93-282 (88 Stat. 125).

On the same day, the White House released a fact sheet and the transcript of a news briefing on provisions of the acts by Caspar W. Weinberger, Secretary, and Morris E. Chafetz, Director of the National Institute on Alcohol Abuse and Alcoholism, both of the Department of Health, Education, and Welfare; and Robert L. DuPont, Director of the Special Action Office for Drug Abuse Prevention.

140 Statement About Reform of State Workers' Compensation Systems. *May 15, 1974*

WHEN the first State workers' compensation laws were enacted more than 60 years ago, they were viewed as a major social reform. They were expected:

- to replace a substantial part of the income lost through work-related disability or death;
- to encourage safe and healthful workplaces; and,
- to provide medical care, rehabilitation, and, whenever possible, reemployment for those who became injured or ill in the course of their work.

Furthermore, they were expected to accomplish these goals efficiently and with a minimum of controversy.

In succeeding years, workers' compensation legislation was enacted by all the States, and coverage and benefits were expanded.

But today it has become clear that the evolution of the State workers' compensation systems has been too slow to continue to meet the needs of the intended beneficiaries. These systems have not kept pace with the times, and the original goals of workers' compensation are yet to be fully achieved.

Many of the flaws in the present systems were documented by the National Commission on State Workmen's Compensation Laws. The Commission's report set forth a long list of recommendations for improvement. It also prompted a flurry of legislative activity in the States and no doubt will continue to inspire further reforms.

To accelerate these reforms and to evaluate the progress of the States, I have

directed the Secretaries of Labor, Commerce, and Health, Education, and Welfare, and the Federal Insurance Administrator within the Department of Housing and Urban Development to organize a new Federal task force on workers' compensation which will include a capable and well-informed technical assistance team. As a starting point, this task force will assist States in the following areas:

- the extension of compensation coverage to all workers;
- improvement in coverage of occupational diseases and the development of less burdensome evidentiary requirements;
- elimination of unreasonable limits on medical and rehabilitation expenditures; and,
- correction of technical or legal limitations which prevent workers from gaining eligibility for workers' compensation benefits because of varying jurisdictional requirements.

Immediate improvement is needed in benefits, particularly for those workers permanently and totally disabled who now receive benefits below the poverty line. Moreover, workers who are permanently disabled and the families of workers who die from work-related injury or illness should be protected from gradual impoverishment by the rising cost of living.

At the end of 1975, an evaluation of State progress toward these objectives will be made by the task force and will be transmitted to the Congress and the States. Based on this evaluation as well as

subsequent studies and materials submitted by concerned groups and individuals, I intend to make further recommendations for State, and possibly Federal, actions which seem appropriate.

There is clearly a need to take a long look at the whole system of workers' compensation. Fundamental questions have been raised as to whether that system as presently designed can achieve the goals of equity and efficiency which were set forth six decades ago.

One key question is whether the present systems provide adequate incentives for reducing hazards—both accidents and diseases—in the work environment. It is raised by the continuing need to improve workplace safety, which has resulted in several major pieces of legislation during this Administration, including the Coal Mine Health and Safety Act (1969), the Construction Safety Act (1969), and the historic Occupational Safety and Health Act (1970). Another question is whether disabled workers are rehabilitated and re-employed to the maximum extent possible. There is some evidence that improved programs might result in much smaller proportions of permanently disabled workers. Thirdly, it is open to question whether benefits are delivered promptly, efficiently, and equitably. There is evidence that the delivery system may be too expensive, may pay too much for small claims and too little for large, and may be too slow in delivery of benefits.

We do not know the answers to these questions, but we must find them. The

answers are essential to the protection and well-being of American workers. It would be foolhardy to attempt to design an ideal system to meet the goals of workers' compensation without knowing what these answers are.

Therefore, I have also directed that the new task force, with the participation of concerned Federal agencies, initiate a major, carefully planned research program that will focus on finding the answers to these major questions. This research program will also address the need for a data system to provide relevant, reliable, and comparable data with which to assess and improve the management of workers' compensation on a continuing basis.

In summary, I am setting in motion an accelerated process of improvement in State workers' compensation systems, supported by Federal technical assistance and carefully monitored and evaluated by the interagency task force. Concurrently, a major research effort will be undertaken to analyze fundamental issues and to develop policy options that come closer to attaining the goals of workers' compensation. I hope this approach will begin an intensive, cooperative, and continuing effort by all levels of government to better serve the welfare of all American workers.

NOTE: On the same day, the White House released a fact sheet and the transcript of a news briefing on the task force by Peter J. Brennan, Secretary, and Richard F. Schubert, Under Secretary, Department of Labor.

141 Remarks to Members of the 14th Mexico-United States Interparliamentary Conference. May 15, 1974

Ladies and gentlemen, and all of our distinguished guests from Mexico, and also, of course, our guests from the United States:

We welcome you very warmly to this reception. At the conclusion of the remarks that I will make, and also the conclusion of the response, I hope to have the opportunity, along with Senator Mansfield and Congressman Wright, the ranking Congressional people from our side, to meet all of you before the reception in the State Dining Room.

Unfortunately, Mrs. Nixon will not be able to join us for the reception, because just 10 minutes ago, she started to have a reception—or was supposed to—across the street at Blair House for another group of visitors. But I asked her to delay her departure for that reception for a personal reason that all of you will, of course, understand.

I have visited Mexico twice as President, twice as Vice President, and many, many times as a private citizen. But the most important time was when Mrs. Nixon and I came there 34 years ago on our honeymoon.

And we thought it was such a good idea, we came back 25 years ago for a reunion there. And Dr. Kissinger thought it was such a good idea that he went there this year for his honeymoon.

So, with those personal references, Mrs. Nixon will beg your permission to leave because I know she would like to meet all of you, and I will then continue with my remarks.

For 14 years, the parliamentary groups from Mexico and the United States have

been meeting. And I have had the privilege in 1972, and then again in 1974, to welcome the group here. These meetings are very appropriate because we are such close neighbors geographically.

But our relationship is more important than simply official and geographical. There are bonds of friendship which bind us together. It does not mean that we do not sometimes have differences on such matters as the use of the Colorado River water, et cetera.

But we have learned to settle our differences and settle them always at the conference table in a peaceful way.

And I am very happy that since our last meeting that our Special Ambassador, Mr. Brownell,¹ working with your representatives was able to work out an agreement with regard to certain aspects of the salinity problem between the United States and Mexico. And I am confident that the representatives here from the Senate and House of the United States will see to it that that agreement is approved on June 30, which is the date for its approval.

Another factor that is very different from one that has usually been the situation with regard to our meetings is that this is the first meeting I have addressed in which the United States is at peace with all nations in the world.

This means that we can work with you, our very close friends and neighbors to the south, and all nations in the world for a permanent structure of peace.

¹ Herbert Brownell was the President's Special Representative for the Resolution of the Colorado River Salinity Problem With Mexico.

To build that permanent structure of peace requires an attitude which our friends in Mexico have had for many, many years, and that is to be able to establish some kind of dialog even with those nations with whom you have very great differences. That is why the United States has moved forward in a dialog with the leaders of the People's Republic of China, representing one-fourth of all the people who live on the Earth. That is why we have had two meetings at the summit with the leaders of the Soviet Union, and another one that will occur in June. These two great nations, representing great peoples, have very significant differences, profound differences insofar as their systems of government are concerned as compared with our system of government.

But in the kind of world in which we live, it is essential if we are to have any chance for peace to survive, that nations that have differences in political philosophies learn to talk about those differences, rather than to fight about those differences.

But we must go beyond that. It is essential that all the peoples of the world devote their efforts to the challenges of peace, working cooperatively against those various problems which plague all of our civilizations in one way or another.

So, whether it is in the problem of combating hunger by increasing food supply, whether it is the problem of developing the energy supplies of the world, whether it is the problem of cleaning up the environment of the world, whether it is the problem involving all of us in terms of better health for all the people of the world, these are problems that should never divide peoples, regardless of our systems of government. These are problems that all of us should work together to solve.

And while, of course, great attention is paid to the efforts that we have been making to work toward solution of these problems, working toward a new dialog with great nations like the Soviet Union and the People's Republic of China, with which the United States has not had good relations in the past, let us never forget that the fact that we are talking to nations who have been our adversaries does not mean that we have lost our interest in, or our affection for, or our primary interest in our friends.

And we hope that Mexico and the United States can set an example of two great peoples working together in meeting the challenges of peace, because we know that we can accomplish far more working together than working separately.

I say that based on many things, but particularly because of my recollection of the enormous contribution that has been made to the United States, to our great and diverse population, by those of Mexican background.

And so today, I say to you, we are not here as two peoples, but as one people. We may speak a different language. We may have different backgrounds. But we are devoted to the same great goals: peace in the world for all people and a higher standard of living for all people in the world.

And you, as the parliamentary leaders of your great country, I am sure, will work with our leaders in making suggestions for new approaches, new approaches which not only will mean better relations between our two countries but which will provide that example of friendship and cooperation between two great neighbors which will be an example for relations between all countries in the world.

I have only one regret as I conclude my remarks—that I do not address you in Spanish. But to show you the tradition that we have, at least in our State of California, both of my daughters' second language is Spanish—both speak Spanish—and that is true of almost one-third of all of the students in the United States of America today.

And I will simply close with one of the few Spanish phrases that my friend, Mr. Barnes, says I pronounce correctly. *Estan ustedes en su casa* [You are in your own house].

Senator Olivares will respond on behalf

of the Mexican delegation. And we are very honored to have you, Senator, on this very special occasion.

NOTE: The President spoke at 3:11 p.m. in the East Room at the White House.

Senate Majority Leader Mike Mansfield was chairman of the 12-member U.S. Senate delegation to the conference, and Representative James C. Wright, Jr., was acting chairman of the 12-member House delegation.

Enrique Olivares Santana, President of the Mexican Senate, addressed the delegates in Spanish. His remarks were translated by Donald S. Barnes, a State Department interpreter, and are printed in the Weekly Compilation of Presidential Documents (vol. 10, p. 523).

142 Letter to Prime Minister Golda Meir of Israel About Arab Terrorist Attack at Ma'alot, Israel. May 16, 1974

Dear Madame Prime Minister:

Our sorrow for the tragic loss of so many of Israel's children at Ma'alot cannot be expressed in words. Mrs. Nixon and I, along with all Americans, grieve with you and with the parents and schoolmates of those who died. This senseless act of terrorism has underscored once again the need for true peace in the Middle East. I can assure you that our efforts

toward this goal will not waver. Please extend, Madame Prime Minister, my personal condolences to the Israeli people in this time of mourning.

Sincerely,

RICHARD NIXON

NOTE: The text of the letter, dated May 15, 1974, was issued to the press the following day.

143 Message to the Congress Reporting on the Balance of Payments Deficit Incurred Under the North Atlantic Treaty. May 16, 1974

To the Congress of the United States:

In accordance with Section 812(d) of the Department of Defense Appropriation Authorization Act, 1974 (Public Law 93-155), I am pleased to submit the following report to the Congress on the

progress made since my last report on February 20, 1974 in implementing the provisions of Section 812 of the Act cited above.

On April 25, representatives of the United States and the Federal Republic

of Germany signed a new offset agreement covering fiscal years 1974 and 1975. The offset to be provided during this two year period is larger in dollar terms and provides more substantial economic benefits to us than any previous offset agreement. At an exchange rate of \$1 = DM 2.669, the dollar value of the agreement is approximately \$2.22 billion over the two year period.

The composition of the agreement is generally similar to that of previous offset agreements, but there are a number of features that significantly increase its value to the United States, including substantial budgetary relief. As before, German military procurement in the United States represents the largest single element. In the present agreement it amounts to \$1.03 billion (at \$1.00 = DM 2.669). Other attractive features include German willingness to continue funding the rehabilitation of facilities used by American troops in the Federal Republic; to take over the payment of certain real estate taxes and airport charges in connection with US military activities in Germany; to purchase from the US Atomic Energy Commission enriched uranium, including enrichment services; and—for the first time in the framework of an offset agreement—to finance US-German cooperation in science and technology.

As in the case of previous offset agreements, the new agreement makes provision for German purchases of special US Government securities on concessionary terms. The significant interest savings resulting from an \$843 million loan over seven years at 2½ percent, together with the above-mentioned German contributions to our troop stationing costs such as troop facilities rehabilitation and absorption of

taxes and airport fees, substantially cover the additional costs we bear by deploying our forces in the Federal Republic rather than in the United States.

Benefits contained in the agreement constitute the major element in the effort to meet the requirements of Section 812. The agreement is the product of many months of difficult negotiations, involving not only the negotiators appointed by our two governments, but also personal exchanges at the highest levels of the two governments.

In my last report to the Congress, I stated that US expenditures entering the balance of payments as a result of the deployment of forces in NATO Europe in fulfillment of treaty commitments and obligations in FY 1974 are estimated to be approximately \$2.1 billion. That estimate still holds.

I anticipate that the bilateral offset agreement with the Federal Republic of Germany, together with arrangements involving other Allies, will meet the requirements of Section 812. This will permit us to maintain our forces in NATO Europe at present levels. In this connection, I would like to point out that the NATO study on allied procurement plans, which I referred to in my last report to the Congress, indicates that allied military procurement from the U.S. in FY 1974 will be significant despite the fact that many of our Allies have suffered a worsening in their trade balance and face the possibility of even greater deterioration. I will provide the Congress with further information on satisfying the requirements of Section 812 in my August report.

RICHARD NIXON

The White House,
May 16, 1974.

144 Armed Forces Day Message.

May 18, 1974

ON THIS Armed Forces Day over 2 million American servicemen and women stand ready, as always, to defend our freedom. This day provides an occasion for Americans everywhere to pay tribute to them.

As we begin what promises to be an era of reduced world tensions, we must not forget the contribution which our soldiers, sailors, airmen, marines and coast guardsmen make to the strength and security of the free world. We must never lose sight of the fact that our continued military strength is the cornerstone of future peace.

Once again, as in the days of George Washington, our Armed Forces are being manned by volunteers. In restoring that

honorable tradition we must demonstrate our continuing support for the members of our Armed Forces. The guardians of America's liberties deserve the admiration and respect of those they defend.

Armed Forces Day 1974 provides each of us with a specific opportunity to express our appreciation to America's men and women in uniform, and to their families. In demonstrating our support for them we can help ensure that our Armed Forces of tomorrow will continue to be composed of dedicated, professional, and courageous young citizens—the finest our society has to offer.

RICHARD NIXON

NOTE: The text of the message was released at Key Biscayne, Fla.

145 Message Congratulating President-Elect Valéry Giscard d'Estaing of France on His Election. *May 19, 1974*

PLEASE accept my warmest congratulations as well as those of the American people on your election as President of the Republic of France. I look forward to working with you in our common interest of strengthening the bonds of friendship and cooperation between our two

countries.

Sincerely,

RICHARD NIXON

NOTE: On the same day, the President telephoned President-elect Giscard d'Estaing to express personally his congratulations.

The text of the message was issued at Key Biscayne, Fla.

146 Radio Address About a Proposed Comprehensive Health Insurance Plan. *May 20, 1974**Good afternoon:*

This week, the Senate Finance Committee will begin hearings on health insurance legislation that could usher in a historic reform of the American health care

system. I am gratified to see that serious action on this most vital matter is going forward on both sides of the Capitol, and I am confident that the executive and legislative branches of the Government, in

a spirit of statesmanship and compromise, can work together to resolve the problems of providing health insurance legislation which meets the needs of all Americans.

While Americans today enjoy the finest health care and medical technology in our history, the cost of that care is constantly increasing. Our present system of health care insurance does not meet the costs of providing adequate care. It must be improved.

Twenty-five million Americans have no health care insurance at all, and millions of others have inadequate protection.

Less than half of those under 65 years of age have protection against catastrophic health costs, and almost no one over 65 has such protection.

Preventive services, mental health care, outpatient services, and medication are often excluded from coverage. Many other essential services are not adequately covered.

And finally, to further burden our already inadequate health insurance system, wage-price controls have expired, and there is no brake on further increases in health costs. The failure of the Congress to adopt my legislative request to continue authority for mandatory cost controls for the health industry has left the country unprotected against the very real possibility of an unbridled increase in those costs.

A few facts and figures will give you an idea of the scope of the problem.

In the past 2¾ years, the overall cost of health care has risen by more than 20 percent.

The national average cost for a day of hospital care now exceeds \$110. It costs an average of close to \$1,000 to cover delivery of a baby and postnatal care. The

average cost of health care for terminal cancer now exceeds \$20,000 per person.

And now, in the absence of controls, the country faces a possible annual increase of 22 percent in physicians' fees alone.

To emphasize the Government's concern over skyrocketing health costs, Secretary Weinberger, of the Department of Health, Education, and Welfare, met with representatives of 20 of the Nation's major health provider groups on May 3. He urged them to take every action at their disposal to prevent the rapid escalation of costs and indicated that if cost increases were not voluntarily controlled, it could lead to drastic, congressionally imposed, mandatory controls. I strongly share Secretary Weinberger's concern on this matter, and I urge the health industry to do everything it can voluntarily to keep the brake on rising health care costs.

But voluntary restraints will not be enough. We must have legislation to insure that every American has financial access to high quality health care.

Nineteen seventy-four can and should be the year in which we move decisively to protect every American against the rising and often prohibitive costs of health care.

Nineteen seventy-four can and should be the year in which we create new incentives to make the health care system of the United States even better and more efficient than it is.

And 1974 can and should be the year in which firm, fair steps are taken to hold down the rate of inflation that has continually driven the cost of medical care higher and higher during the past 20 years.

Never has the need been greater, or the national climate more favorable, for the

development of a sound consensus on a comprehensive program of health insurance than that need is today.

In order to best serve the American people, such a program must include three basic principles:

—It must maintain the patient's freedom to choose his own physician.

—It must build on the capacity and diversity of our existing private system of health care, rather than to tear it down and seek to erect a costly, federally dominated structure in its place.

—And it must provide all parties—consumers, providers, carriers, and State governments—with a direct stake in making the health care system work.

The comprehensive health insurance plan which I have proposed meets these criteria. It is the only one of the major proposals now before Congress which does so.

It is the only major plan that offers extensive, uniform health coverage without raising your taxes, without severely damaging the effective private health insurance industry that has helped to make this generation of Americans the healthiest, best cared-for in our history, and without establishing an enormous new Federal bureaucracy.

Most important of all, under the comprehensive health insurance plan, your doctor would continue to work for you, and not for the Federal Government. These basic principles must not be sacrificed or compromised.

While I believe the plan I have submitted is sound in its basic objectives, we are not ruling out compromise where compromise does not violate the basic principles of our proposals which I have described. I welcome the development of the new plan sponsored by Senator Ken-

nedy and Congressman Mills which includes many of the same features as the Administration proposal. I also believe that the proposal sponsored by Senators Long and Ribicoff focuses well deserved attention on the problem of catastrophic illnesses. Members of the House and Senate have made constructive proposals which deserve consideration in other areas. However, major differences remain.

The Kennedy-Mills proposal would be administered almost totally by the Federal Government, and it would be paid for by increasing your Federal payroll taxes. It would be a compulsory plan, forcing the participation of those who do not need or who do not want coverage, as well as those who do.

The Long-Ribicoff alternative proposal would also be directly administered by the Federal Government, but in most cases, it would only offer coverage for catastrophic illnesses and leave participants unprotected against many other substantial health costs which are covered by the comprehensive health insurance plan which I have proposed.

The Administration plan would offer every American broad and balanced health protection through one of three major programs:

—The employee health insurance would cover most Americans and be available through their jobs. The cost would be shared by employers and employees on a fair basis.

—An improved Medicare plan would cover those 65 and over and would include additional medical costs and benefits not included under the current Medicare system.

—The assisted health insurance plan would cover low-income Americans and persons who would be ineligible for the

other two programs, with the Federal and State governments paying those costs which are beyond the means of the individual insured.

The medical care offered by these three plans would be identical for all Americans regardless of age or income. Benefits would be provided for hospital care, physicians' care in and out of the hospital, prescription and lifesaving drugs, laboratory tests and X-rays, medical devices, ambulance services, and many other forms of health care.

There would be no exclusions from coverage based on the nature of the illness. A person with heart disease, for example, would qualify for benefits just as would a person with kidney disease.

In addition, the comprehensive health insurance plan would cover treatment for mental illness, alcoholism, and drug addiction, in or out of the hospital.

Certain nursing home services and other convalescent services would also be included. Home health services, for instance, would be covered so that long and costly stays in nursing homes could be averted when possible.

To no group is proper health care more important than to our children. Many conditions, if detected in childhood, can be prevented from causing lifelong disability and learning handicaps. For this reason, children receive special attention under the comprehensive health insurance plan. Services for children would include preventive care up to the age of 6 and would provide for eye examinations, hearing examinations, and regular dental care up to age 13.

There has been a great deal of debate in recent years about health insurance legislation. And there are, naturally, divergent points of view on the question of

how to provide the highest possible quality of health care for all Americans. Some believe that we should socialize our system of health care. Now, this might make health care available to all, but it would diminish the quality of care available. It would destroy the incentive for excellence which motivates those who provide our health care. There are others who believe we should do nothing. This would mean that fewer and fewer Americans would have access to the kind of care which we are capable of providing.

Neither course of action, or inaction, is acceptable. What we must have is a creative relationship between government and our private health care system which provides the best possible care for all at a price that all can afford.

Sometimes the best way to measure what we can accomplish in the future is to look at what we have achieved in the past. A generation ago, polio was a deadly, crippling disease, striking down rich and poor alike. The man who served longest as President of the United States spent most of his adult life as a cripple because, at that time, there was no known way to prevent or cure polio.

In my own family, two of my brothers, one older, one younger, died of tuberculosis because, in the 1920's and 1930's, tuberculosis was still an uncontrolled killer disease.

Today, both of these once dreaded diseases are no longer a threat to the American people. In the same way, if we work together—the people, the President, and the Congress—we can apply the genius of the American system while working with other nations as well in finding cures for other dreaded diseases such as cancer and heart diseases. Equally important, we can make the best possible medi-

cal care available to all of our citizens, young and old, rich and poor.

The comprehensive health insurance plan which I have proposed can accomplish this. I hope that the Congress will continue to move promptly on this program, so that in the future, we will be able to look back on 1974 as the year in which America, long the wealthiest na-

tion in the world, acted decisively to become the healthiest nation as well.

Thank you and good afternoon.

NOTE: The President spoke at 12:07 p.m. from Key Biscayne, Fla. His address was broadcast live on nationwide radio.

An advance text of his address was released on the same day.

147 Annual Message to the Congress on the District of Columbia Budget. May 21, 1974

To the Congress of the United States:

I am transmitting to the Congress the budget of the District of Columbia for the fiscal year beginning July 1, 1974.

The budget proposals herein have been prepared by the Mayor-Commissioner and the City Council in accordance with their responsibilities under Reorganization Plan No. 3 of 1967, and they also reflect the comments of the citizens of the District during City Council budget hearings. Further review of these proposals has been made by the Office of Management and Budget as specified in the District of Columbia Revenue Act of 1970.

The fiscal year 1975 budget represents the assumption of new responsibilities by the District of Columbia as it moves

toward more self-government. The great progress made in recent years by the District Government in program and fiscal management attest to its ability to move effectively along the path charted by the District of Columbia Self-government and Governmental Reorganization Act of 1973. This budget indicates that the city welcomes these additional responsibilities and that it is prepared to work with the Congress on behalf of all residents of the District of Columbia to improve local government and the quality of city life.

I urge the Congress to act upon these proposals in the same spirit.

RICHARD NIXON

The White House,
May 21, 1974.

148 Remarks on Signing the Disaster Relief Act of 1974. May 22, 1974

I GUESS you had good bipartisan support for this legislation. It is a very good piece of legislation. We appreciate the fact that you treated it in a bipartisan way and got it down here in a hurry.

There is one part of this whole problem that is not covered in this legislation, and

of course, it couldn't be. As I went to the disaster areas, not only here but in others on previous occasions, the immediate problems are those that deal with the problem of housing, the problem of schools, the problem of food on an emergency basis, and we provide the money

and the assets of the Federal Government to be of assistance to the State and local community in dealing with those problems.

But the most important thing I find in all of these areas is the problem of jobs. Are they going to stay there or, because of a disaster, are they going to move, and is Xenia going to become, for example, a dead city, or Wilkes-Barre, or what have you?

It is the long-term problem of trying to attract industries into these various disaster areas, new industries, as well as keeping those that are there. And while we do provide more relief—of course, through the Small Business Administration, we do provide relief for many of the businesses that are there—there is no question but that a longer-term program for disaster areas where we can attract or encourage new employment enterprises to come in is essential.

Secretary Lynn and I have talked about this at great length, and he has 30 days in which to have consultation with Members of Congress to give us a plan that will be of assistance in this direction. I have been, in talking to people in these areas—and you also have been talking to them—we have to be very candid about it, it does not come quickly in terms of the jobs. We can get the housing, mobile housing in quickly, we can get the food in, we can get temporary facilities for schools. But the long-term existence of and rebuilding of a city or of a town or of a community that suffers the disaster, that is something that we must remember is first and foremost in the minds of all of these people.

Do you agree, Mr. Chairman?

SENATOR JENNINGS RANDOLPH. Yes, Mr. President. I think for the first time

the Congress met this obligation in the careful way that was necessary. We used to just appropriate money very quickly when a disaster hit—a tornado, hurricane, flood, earthquake—but now we have the machinery with which to move carefully and effectively to cover the subject matters that you have mentioned. And I do commend all of those who are here today from the two committees who worked diligently in this bipartisan way, because the country needs certainly a solid program of the type that has been enacted into law. The hodgepodge, it is over, and now we are able to do the job.

Thank you, Mr. President.

THE PRESIDENT. John, do you agree?

REPRESENTATIVE JOHN A. BLATNIK. I certainly agree. We had this very improvised, sort of a makeshift operation before. A disaster would strike as though it were striking for the first time, and we would move in. Now we know a flood or tornado and different types of catastrophic situations do occur with quite some regularity, and we have a going operation, with machinery structured, moving at once and, as the Senator said, in a very systematic and effective and a responsive way to move very effectively.

SENATOR RANDOLPH. Mr. President, could I just add that Senator Baker, the ranking minority member of the Public Works Committee in the Senate, and I, we want to express publicly our appreciation for the members of the subcommittee, for Quentin Burdick and for Pete Domenici and the others who went into the field within hours and for their leadership in this matter.

THE PRESIDENT. Well, the problem is now a national one. I mean, I go back through disasters at Anchorage, Alaska, and the hurricanes which struck in Penn-

sylvania and the East and also struck through the South, and then, of course, the ones that more recently are causing flooding in various parts of the country—the South Dakota problem, which we all remember, that particular disaster.

We are glad we do have one coordinated program to deal with it. I, however, emphasize that to me, the important thing that I found is that the individuals I talked to whose homes were wiped out, in every one of these cases, they want to stay. They don't want to move, but they cannot stay unless they have jobs. And consequently, while a piece of legislation as compre-

hensive as this is does deal with disasters in a very effective way, the longer-term problem of bringing industry in and keeping industry in so that there will be enough jobs for the people who want to stay, this is one that we all want to commit ourselves to, and we will appreciate your advice on it.

NOTE: The President spoke at 12:20 p.m. in the Oval Office at the White House. Present at the bill signing ceremony were Members of Congress and Federal officials responsible for the disaster relief programs.

As enacted, the bill (S. 3062) is Public Law 93-288 (88 Stat. 143).

149 Statement About the Disaster Relief Act of 1974. *May 22, 1974*

I HAVE today signed S. 3062, the Disaster Relief Act amendments of 1974.

This bill amends the Disaster Relief Act of 1970 by further extending the assistance available from the Federal Government for individuals and States and local communities suffering from the effects of disasters such as the tornadoes that ravaged a wide area of the Nation early last month. It also strengthens disaster planning and preparedness and requires as a condition to receiving Federal assistance that insurance coverage be provided to protect property against future disaster losses.

Since taking office, I have had to declare over 180 major disasters in 42 States. The amount of Federal assistance given to disaster victims has been greatly expanded, and this Administration has made every effort to provide this aid more equitably and expeditiously. Last year, I sent a message to the Congress outlining this Administration's proposals for im-

proving the assistance which the Federal Government can provide in time of major disasters and other emergencies and for increasing the role of State and local governments in disaster recovery. The Congress, while altering the particulars of some of my proposals, has incorporated in this bill the essential features of a sound disaster assistance program. Combined with the Flood Disaster Protection Act that I signed into law on December 31, 1973, this new disaster relief law truly brings the New Federalism to our disaster preparedness and assistance activities.

I congratulate the Congress for acting speedily and responsibly in responding to the needs of those who are suffering as a result of the recent tornadoes—and of those who may face similar problems in the future. This bill responds to a vital need of the American people, and it demonstrates that the Federal Government, in cooperation with State and local authorities, is ready and able to provide

compassionate assistance to the victims of natural disasters.

NOTE: On the same day, the White House released a fact sheet on provisions of the act.

150 Statement About Proposed Amendments to the
Elementary and Secondary Education Act.
May 22, 1974

I AM disheartened by the action taken in the Senate Monday on the education amendments of 1974. I previously indicated my intention to veto the committee version of S. 1539. While some improvements were made on the floor to S. 1539, the bill, as it now stands, would solve few of the problems that must be solved if we are to improve the quality of public education in America, and it contains provisions which would create several new problems.

Consolidation of present funding procedures is essential if the Federal Government is to be a source of assistance rather than a bottleneck in the funding of elementary, secondary, and adult educational programs. While the Senate has moved toward consolidation of some programs, it has not moved nearly far enough. Where it has provided for consolidation, it has needlessly mandated funding levels for these programs, and it has added numerous other categorical assistance programs.

The Senate bill, far from cutting bureaucratic redtape, would create 16 new bureaucratic structures, prohibit decentralization of decisionmaking, and add cumbersome, time-consuming, and restrictive administrative procedures.

I am concerned with the fact that the Senate bill fails to deal with the need for complete reform of the impact aid program. At present, the Federal taxpayer

is subsidizing education for children of Federal employees in areas where this support is wholly unwarranted and constitutes a needless subsidy.

I must once again state my unequivocal opposition to forced busing for the purpose of achieving racial balance. The experience of the past 5 years across America shows that we can dismantle dual school systems without resorting to massive forced busing. We must recognize that the goal is not to bus children for the sake of busing, but to provide the finest education we can for the sake of our children. This can be accomplished best in neighborhood schools under educational policies established at the local level, and not imposed by the Federal Government. As I have indicated previously, I support the the busing provision of H.R. 69 over those contained in the Senate bill.

Finally, I have urged in the strongest terms the necessity of advance funding for consolidated programs under an acceptable elementary and secondary education bill. State and local governments must know before the school term begins what the Federal portion of their budgets will be if they are to be able to plan their academic programs effectively and efficiently. When legislation is sent to me that I can approve, I will send a supplemental appropriation request to the Congress to enable forward funding of these programs.

I am hopeful that the difficulties presented by the Senate bill can be resolved in conference, so that we can get on with the vital business of helping local school boards provide the best possible education for all of America's children. The Admin-

istration will continue to work with the Congress in the effort to provide an education bill which is fair to all, acceptable to all, and which will advance the effort to provide the highest quality education for all.

151 Letter Responding to House Judiciary Committee
Subpoenas Requiring Production of Additional
Presidential Tape Recordings and Documents.
May 22, 1974

Dear Mr. Chairman:

This letter is in response to two subpoenas of the House of Representatives dated May 15, 1974, one calling for the production of tapes of additional Presidential conversations and the other calling for the production of my daily diary for extended periods of time in 1972 and 1973. Neither subpoena specifies in any way the subject matters into which the Committee seeks to inquire. I can only presume that the material sought must be thought to relate in some unspecified way to what has generally been known as "Watergate."

On April 30, 1974, in response to a subpoena of the House of Representatives dated April 11, 1974, I submitted transcripts not only of all the recorded Presidential conversations that took place that were called for in the subpoena, but also of a number of additional Presidential conversations that had not been subpoenaed. I did this so that the record of my knowledge and actions in the Watergate matter would be fully disclosed, once and for all.

Even while my response to this original subpoena was being prepared, on April 19, 1974, my counsel received a request from the Judiciary Committee's counsel for the

production of tapes of more than 140 additional Presidential conversations—of which 76 were alleged to relate to Watergate—together with a request for additional Presidential diaries for extended periods of time in 1972 and 1973.¹

The subpoenas dated May 15 call for the tapes of the first 11 of the conversations that were requested on April 19, and for all of the diaries that were requested on April 19. My counsel has informed me that the intention of the Committee is to also issue a series of subpoenas covering all 76 of the conversations requested on April 19 that are thought to relate to

¹ On May 22, 1974, the White House issued the texts of two letters from James D. St. Clair, Special Counsel to the President, to John M. Doar, counsel to the House Judiciary Committee, replying to the committee request of April 19, 1974, and discussing separately the subpoenas for materials relating to the milk support price and ITT antitrust decisions. The texts of the letters are printed in the *Weekly Compilation of Presidential Documents* (vol. 10, p. 539).

Reference was made in Mr. St. Clair's letters to two "definitive papers" prepared by the White House on the milk support and ITT subjects, the texts of which are printed in the *Weekly Compilation of Presidential Documents* (vol. 10, pp. 20 and 28).

Watergate. It is obvious that the subpoenaed diaries are intended to be used to identify even more Presidential conversations, as a basis for yet additional subpoenas.

Thus, it is clear that the continued succession of demands for additional Presidential conversations has become a never-ending process, and that to continue providing these conversations in response to the constantly escalating requests would constitute such a massive invasion into the confidentiality of Presidential conversations that the institution of the Presidency itself would be fatally compromised.

The Committee has the full story of Watergate, in so far as it relates to Presidential knowledge and Presidential actions. Production of these additional conversations would merely prolong the inquiry without yielding significant additional evidence. More fundamentally, continuing *ad infinitum* the process of yielding up additional conversations in response to an endless series of demands would fatally weaken this office not only

in this Administration but for future Presidencies as well.

Accordingly, I respectfully decline to produce the tapes of Presidential conversations and Presidential diaries referred to in your request of April 19, 1974, that are called for in part in the subpoenas dated May 15, 1974, and those allegedly dealing with Watergate that may be called for in such further subpoenas as may hereafter be issued.

However, I again remind you that if the Committee desires further information from me about any of these conversations or other matters related to its inquiry, I stand ready to answer, under oath, pertinent written interrogatories, and to be interviewed under oath by you and the ranking Minority Member at the White House.

Sincerely,

RICHARD NIXON

[The Honorable Peter W. Rodino, Jr., Chairman, Committee on the Judiciary, House of Representatives, Washington, D.C.]

152 Statement on the Death of Duke Ellington.

May 24, 1974

ONE of the most memorable dates of my first term as President was April 29, 1969. On that day Edward Kennedy Ellington, better known to generations of Americans as Duke, celebrated his 70th birthday by coming to the White House to accept the first Presidential Medal of Freedom awarded by my Administration.

The wit, taste, intelligence, and elegance that Duke Ellington brought to his music have made him, in the eyes of millions of people both here and abroad,

America's foremost composer.

We are all poorer because the Duke is no longer with us. But his memory will live on for generations to come in the music with which he enriched his Nation.

NOTE: Mr. Ellington, 75, died in New York City, N.Y.

The President designated Pearl Bailey to be his personal representative at funeral services in New York City on May 27, 1974. Stanley S. Scott, Special Assistant to the President, was the official White House representative.

153 Radio Address About the Nation's Economy.

*May 25, 1974**Good afternoon:*

No aspect of our public life has a greater impact upon the way each of us lives than our national economy. Next week, I plan to send a special report to the Congress on the state of our economy. Today, I want to talk with you directly about the economic problems we have been experiencing in recent months and the directions we plan to take in the future—new directions which will strengthen our economy and which will benefit all the American people.

During the past 2 years, the economies of both the United States and the rest of the world have been through severe storms. There has been a sharp drop in world food production. There has been a boycott on oil shipments to the United States and other countries by major exporting nations. And there has been a steep rise in world prices, fueled in part by the oil boycott and in part by the economic boom in the industrial areas of the world.

As a result of these developments, the United States and the world are experiencing the highest rate of inflation in 20 years. We have seen a slowdown in production and employment. We have had the most radical change in international economic relations in peacetime that anyone can remember.

For some people, these changes have meant a severe strain on the family budget, shorter working hours, and even the loss of a job. But the majority of Americans have come through this period well. Look at some of these facts:

Despite a dip in the first 3 months of

this year, resulting primarily from the energy crisis, personal incomes today—after inflation and after taxes—are still 14 percent higher than they were 5 years ago.

The number of Americans working today is at a record level, while the rate of those unemployed has risen only slightly. And the quality of life in America—the ability to feed, clothe, and house our people—has continued at a level which exceeds that of any nation in the world today—for that matter, of any nation in world history.

In view of the international stresses on our economy and the gloomy predictions that were widespread at the beginning of the year, this has been a good performance. More importantly, there are also encouraging signs today that the worst is behind us. The storms are abating. As the effects of the recent oil shortage have passed, the production level of automobiles has begun to rise again, and industrial production overall is showing an increase for the first time in almost half a year.

Our efforts to dampen inflation are also beginning to pay off. The chief causes of inflation last year and in the first few months of this year were the increases in food and energy prices. As the shortages of food have eased in the past several months, the wholesale costs of basic food items have declined sharply. Prices of wheat, corn, soybeans, beef, hogs, and chickens are all down.

There have been similar improvements in the energy picture. As the oil shortages have eased, the prices of gasoline and other oil products rose much less in April

than in earlier months, and we anticipate a leveling off of these prices in the next few months. As a result of these changes in both food and energy prices, overall consumer prices in April rose only half as much as the rate of the previous 3 months. This is a hopeful indication that our efforts to curb inflation are having a positive effect.

Two weeks ago, I initiated new programs which would put up to an additional \$10 billion into the financing of housing. If we are going to check inflation, we cannot quickly escape the disciplines of tight money and high interest rates. As we check the inflation, and lenders and borrowers come to expect less inflation, these interest rates will come down. But in the meantime, we must be sure that the burden of high interest rates is not concentrated too heavily on housing, because this hurts both the homebuilders and it hurts the home buyers.

I am confident that we will experience further improvements in the economy during the remainder of this year. We expect our output to rise and to rise at a more rapid rate. We expect the inflation rate to be significantly lower than the rate we have experienced in the past 18 months. And while there may still be some increases in unemployment before the rate begins to recede, we expect a further expansion of jobs for American workers.

All of these forecasts are soundly based, and they are encouraging, but it is not enough to rely upon forecasts alone. We must continue to do everything we can to assure that this economic progress comes about. To assist me in coordinating all economic policy and programs, I am announcing today the appointment of Mr. Kenneth Rush to be my Counsellor for Economic Policy. I have known Mr. Rush

for almost 40 years; he is a man with a distinguished career in business, in the law, in diplomacy, and in the arts of government.

As my Counsellor here in the White House, he will hold Cabinet rank, and I will look to him to coordinate for me U.S. economic policy in both the domestic and international areas.

I am requesting again that the Congress provide permanent authority for a small, flexible organization within the Executive Office—a Cost of Living Task Force—to monitor wages, prices, industry bottlenecks, supply shortages, and other factors that bear on inflation.

The White House has already joined with Congressional leaders on a bipartisan basis to study potential economic shortages of material other than oil and the steps necessary to deal with these problems. I hope that the results of that study will be available in about 6 months and that action can be taken to deal with that problem at that time.

As serious as the threat of material shortages to economic growth is the shortage of capital for investment. I have directed the Chairman of the Council of Economic Advisers to establish a high-level group which will be responsible for evaluating this situation and devising measures to deal with it.

In coming weeks, I will be meeting with major representatives of labor and business to discuss how we can work together to advance our efforts to reduce inflation.

That must be our first objective in keeping the economy moving ahead. We have to get the rate of inflation down, and we have to keep it down. Our policy of encouraging maximum food production will contribute to this goal. Last year, the

Congress enacted the agricultural act which this Administration proposed to restructure the outmoded relationship between the Federal Government and America's farmers. We have substantially expanded the land in use by our farmers, and we have every reason to expect excellent crops this year. All this will help to hold down food prices.

Our policy of developing domestic sources of energy will serve as a deterrent to further price increases by oil exporting countries and will serve as a hedge against any further oil boycott. It should also permit the Federal Government to withdraw from the business of allocating petroleum products. And I have directed the Administrator of the Federal Energy Administration to provide me with a plan to do just that.

As you know, we have proposed Project Independence—a \$10 billion program—for achieving energy self-sufficiency in America by 1980. In addition, there are 16 important energy proposals before the Congress, including a windfall profits tax on excess oil company profits. I urge the Congress to act on these proposals and to act quickly.

The combination of rising food prices and rising oil prices accounted for some 60 percent of the price increases of 1973 and early 1974. Our action in these areas alone should have a significant effect on the rate of inflation.

While we must avoid pumping up the economy into a new inflationary boom, we must also be concerned with those who are unemployed during this period of economic slowdown. In April 1973, over a year ago, I proposed a job security assistance act to raise levels of compensation for unemployment and to extend compensation to farmworkers except on the small-

est farms. This year, because of the rise in unemployment connected with the energy crisis, I proposed two additional improvements in the system. One would have given a 13-week extension of benefits, federally financed, in labor market areas of high unemployment. The second would have allocated Federal funds for benefits to the unemployed living in those areas who were not a part of the unemployment insurance system. Congress has not yet acted on either my 1973 or my 1974 proposals for job assistance. I urge the Congress to act on these measures which are so important to those who may be unemployed.

An additional consideration in controlling inflation—in fact, the key to controlling inflation—is the way we manage the Federal budget. Nothing is so certain to cause inflation as runaway fiscal policy. That is why I have placed so much emphasis on holding down Government spending. It may, to some, seem cruel or indifferent to object to enlarged spending programs, for the President to veto bills which would have the effect of passively increasing Federal spending, because almost all of these programs appear to have very desirable purposes.

But the fact is that higher spending by the Government, however desirable the immediate goal may seem to be, has a most undesirable impact in the form of higher prices. Such spending on the part of the Government may help some of the people, but in the end, it will hurt all of the people by raising prices for the family budget. It is therefore not an act of generosity on the part of the Government to increase spending. We now have a budget of \$305 billion for the fiscal year that will begin on July 1. I believe this is a prudent budget, sufficient to cover the

most important functions of Government. We must hold the line at this level of spending and even reduce it if we can.

The Congress and the Administration must act to insure that we do not initiate new and costly spending programs that commit us to rapidly rising expenditures in the future. One of the ongoing economic problems that we face today is the fact that past spending commitments continually frustrate efforts to manage the budget in a stabilizing way.

Possibly the gravest danger to the economy today is the threat of a general tax reduction. However popular that may be, nothing could be more irresponsible than to cut taxes in the present inflationary situation. The notion that a large tax cut can be given to the vast majority of the American people and that the money made up by taxes on a few people who are rich, or corporations, is one which holds great appeal—especially in a political year. But the tax which is transferred to industry simply comes back to the taxpayer in some hidden form, such as higher prices or lower pay.

Another temptation we must avoid is the call for cheap money by means of monetary expansion. All this will do will speed up the rate of inflation, and it will increase the cost of borrowing money. The requirements for full economic recovery may sound like harsh medicine—budgetary restraint, no tax cut, tight money—but there is no alternative if we want to keep down the cost of living. I wish I could tell you there is a way out of the present inflation without such measures, but there is not. We cannot spend our way to prosperity. Neither can we achieve prosperity of price stability by putting America back into a straitjacket of controls.

The American economy, like the American Government itself, is an instrument for achieving the purposes of the American people. We want to make that economic instrument as powerful and flexible as we can so that all of you, the American people, can achieve your goals, whether those be new automobiles, better medical care, or cleaner air. At the same time, a more productive economy is vital to our role of political, military, and humanitarian leadership in the world, leadership which is absolutely indispensable if we are to build a structure of peace, not only for America but for the whole world.

To make the American economy stronger and more productive will require more saving, more investment, more research and development, more advancement of the skills of the people, and a more effective economic organization. Many initiatives of this Administration are directed to these purposes. I would mention specifically our suggestions for reform of financial institutions, for improved manpower training programs, for reform of educational finances, for expanded research and development, especially in the field of energy. I also want to emphasize the importance of Congressional enactment of the trade reform bill which I have proposed.

This is vital not only to strengthening the American economy in the long run, but it will also provide the United States Government the means to play its proper role in the development of the world economy. We are beginning to emerge from a very difficult period in the history of our economy. We are not completely through this difficulty, but all the economic indicators prove that we are making encouraging progress.

The weeks ahead will still require re-

straint and sacrifice, but the ultimate goal of prosperity in peacetime, prosperity without war, is one which is worthy of sacrifice. It is attainable. It will require the fullest cooperation between the Administration and the Congress, and I can pledge to you the complete cooperation of the Administration with the Congress in achieving this goal.

It will also require the fullest cooperation of labor, of business, commerce, and industry, and of you, the American people. I am asking today for your coopera-

tion. I am confident that we can, together, achieve our great goal of prosperity in peacetime.

Thank you and good afternoon.

NOTE: The President spoke at 12:07 p.m. from Key Biscayne, Fla. The address was broadcast live on nationwide radio.

On the same day, the White House released at Key Biscayne, Fla., an advance text of the address and an announcement containing additional biographical data on Mr. Rush. The announcement is printed in the *Weekly Compilation of Presidential Documents* (vol. 10, p. 551).

154 Memorial Day Message. *May 25, 1974*

ONCE AGAIN, on Memorial Day 1974, the American people join in tribute to the courageous servicemen and women who have given their lives to protect our country's liberty and bring peace to our Nation and the world.

In honoring the fallen, let us also remember the millions of others who have served in past wars and the fine men and women who today serve in our all-volunteer Armed Forces. They, too, have preserved our freedom; they, too, are helping to create a future free of war.

The peace we enjoy today, and the peaceful future we look forward to, are based on the devotion and sacrifice of the long, brave line of men and women in uniform who have proudly served the American flag. The prayers and the gratitude of the American people are with them and their families on this Memorial Day.

RICHARD NIXON

NOTE: The text of the message was released at Key Biscayne, Fla.

155 Statement on the Death of Stewart Alsop. *May 26, 1974*

STEWART ALSOP's hard, valiant struggle against cancer has ended at last, but his life and his writings will remain a standard for his profession for years to come. One of America's premier political commentators, he built his reputation upon a rigorous independence of mind, a dedicated and fearless pursuit of the

truth, an uncommon devotion to the Nation's welfare, and an insistence that in all matters, no matter how controversial, good will and decency should prevail. It was characteristic of Stewart Alsop that the courage which marked his military service during World War II and his long, distinguished career as a journalist should

also be the hallmark of his final struggle against death.

Mrs. Nixon and I join the Nation in mourning this sad loss.

NOTE: Mr. Alsop, 60, died in Bethesda, Md.

He wrote the syndicated column "Matter of Fact" with his brother, Joseph, and he was also a writer with the Saturday Evening Post and Newsweek.

The statement was released at Key Biscayne, Fla.

156 Radio Address on Memorial Day.

May 27, 1974

Good morning:

Memorial Day in America has traditionally been a time when we pay our respects to those who gave their lives, over a century ago, in a tragic civil war. In a broader sense, it has come to stand not only for the sacrifices of those who served in the War Between the States but for all of those who have given their lives in arms since the birth of our Nation.

This Memorial Day should remind us of the greatness that past generations of Americans achieved from Valley Forge to Vietnam, and it should inspire us with the determination to keep America great and free by keeping America safe and strong in our own time, a time of unique destiny and opportunity for our Nation.

In looking back on the past, we must not forget the present. More than 100 years after the last shot was fired at Gettysburg, and nearly 200 years after the signing of the Declaration of Independence, the cause of liberty and human dignity still depends on America.

Americans were called away to war under trying and sometimes bitter circumstances, four times in this century—World War I, World War II, Korea, and Vietnam. Only today, for the first time in this century do we live in a time when, thanks to past sacrifices, a real chance exists for lasting peace—peace built not on vain

hopes and good intentions, but on solid, realistic foundations.

We have ended America's longest and most difficult war in Vietnam. In the Middle East, a part of the world where conflict has become almost a way of life, we have begun the long, hard work of reconciliation—of bringing people together at the peace table who formerly met only on the battlefield. We are normalizing relations with the nation whose people make up one-fourth of the world's population—the People's Republic of China. We have developed a new relationship with the leaders of the Soviet Union after a long and costly period of confrontation that began more than a quarter of a century ago.

Taken together, all of this means that in 1974 our hopes for a lasting peace are brighter than at any time in living memory, because we now have a structure of peace and we are carefully working to strengthen it. A momentum has been created that makes it easier for the leaders of the major powers to settle differences peacefully, in negotiation instead of in armed confrontation.

That is something worth bearing in mind on this Memorial Day. It is something worthy of our thanks. But it is not something we can take for granted. Just as a planted seed requires the right bal-

ance of sun, water, soil, and care to grow to its full potential, so, too, does a lasting peace.

The minute that peace is taken for granted—and we have seen this happen again and again in the course of modern and ancient history—its survival is in jeopardy. Lasting peace can be achieved only through lasting awareness, lasting preparedness, and lasting strength, both physical and moral. As America and other nations have learned only too well through experience, weakness invites aggression and aggression triggers war.

On this Memorial Day, then, let us bear in mind what Winston Churchill once called the “sinews of peace”—the ways and means through which we can keep America a credible and strong force for peace and order in the world. There are some people here in America who would like to turn inward and turn away from the world’s problems. We have enough problems of our own, they say, without getting involved in anyone else’s.

And up to a point, they are right. We are, and must continue to be, a nation dedicated to building the best possible life for our people, to overcoming injustice, to expanding opportunity to embrace every American, regardless of race or creed. But like it or not, we are also a part of a larger world. We may seek to ignore the world, but the world will not ignore us. And in a day when atomic weapons are spreading, when famine stalks large parts of the Earth, and when the tinder that could ignite another massive conflagration exists in many parts of the world, to turn our backs on our responsibilities for world leadership would, in the long run, be disastrous not only for us in America but also for all people in the world who seek peace.

There was a time when we could look

across the oceans, protected by time and distance, and let other peoples, such as the British and the French, carry the burden of free world security. They had the power and the will to do it, and America could afford in those long-gone days to live in what used to be called “splendid isolation.” But those days are no more. Today, America’s isolation can lead only to the world’s destruction.

It is for this reason that the Atlantic Alliance is today the cornerstone of this Nation’s foreign policy. Together with our NATO allies we are united in the common effort of defense and in the common quest for a more peaceful, more stable world. We can and we have, under the Nixon Doctrine, placed wise limits on future commitments of American manpower, not only in Asia but in other parts of the world as well. At the same time, we have recognized our broad responsibilities of U.S. leadership, the leadership required, for example, to help keep the peace where it exists and to act as peacemaker in explosive areas like the Mideast.

Diplomatically, we fulfill this role by using the best possible men and ideas in our dealings with other nations. And the records show that we have been successful in doing this in the past 5 years. But no matter how talented our diplomats are, the policies they pursue must be backed up by credible strength—the “sinews of peace.” And in the final analysis, this means military strength.

As long as the peace of the world depends on it—and it does—America must never become the second strongest nation in the world. If successful negotiations for weapons limitation and reductions are to continue, America must remain strong.

Only a strong America, in concert with its allies, can be a strong force for peace.

That is why the action taken in the House of Representatives this past week and further action to be taken by both the House and the Senate in the near future is of vital interest to every American interested in the future of this country and in the prospect of lasting peace in the world.

Last Wednesday, I was gratified to note that the House of Representatives defeated an amendment that would have forced the withdrawal of 100,000 American troops serving overseas. This measure would have struck a critical blow at the confidence of both our allies in Europe and the Pacific and at the credibility of the United States in the continuing negotiations with the Soviet Union for the mutual withdrawal of troops from Europe.

In addition, the House also defeated two other amendments which would have seriously damaged our defense posture—an amendment to slash \$700 million across the board from necessary defense spending and an amendment to halt the development of two important strategic weapons systems, the Trident submarine and the B-1 bomber.

In all three cases, a bipartisan majority of the House of Representatives stood firmly for a strong national defense. In so doing, that majority earned the thanks of all Americans who recognize that a strong America is indispensable if we are to succeed in building lasting peace in the world.

And finally, I would like to commend the efforts of Chairman Edward Hébert and the members of the House Armed Services Committee for doing an outstanding job in considering the overall defense budget. At times we have had some disagreements on the fine print, but on

the whole, the committee has taken a strong and statesmanlike stand for a sound national defense. Chairman Hébert is a Democrat. He is a strong partisan in the best sense of the word, and so is Chairman Stennis, his counterpart in the Senate. But when it comes to the strength of America, the honor of America, and the future security of America, they are patriots first and partisans second. I hope that a majority of their colleagues will continue to profit by their example. For on the issue of a strong America, the Congress should not be separated by party labels, but united as patriotic Americans.

The same should be true of all of us as citizens, and especially so on a day like this. Today, on this Memorial Day, 1974, we can all be thankful that for the first time in 12 years, there are no Americans fighting anywhere in the world.

What we do with this peace—whether we preserve it and defend it, or whether we lose it and let it slip away—will be the measure of our worthiness of the spirit and sacrifice of the hundreds of thousands who gave their lives in two World Wars, Korea, and in Vietnam.

I believe that we can be worthy of that challenge, because I believe that for the first time in this century, thanks to the sacrifices of the past and because of our determination to stay strong now and in the future, we can keep the peace they gave their lives to win for us.

Peace is the real and right memorial for those who have died in war. They wanted and they deserve a world in which their brothers and sisters and their children and grandchildren will never have to be called upon, as they were, to fight for peace. Let that be the memorial we seek to build for them, and let us work together—the President, the people, the

Congress—to build it in the months and years ahead.

NOTE: The President spoke at 10:07 a.m. from

Key Biscayne, Fla. The address was broadcast live on nationwide radio.

An advance text of his address was released on the same day.

157 Message to the Congress Transmitting Report of the Council of Economic Advisers. *May 28, 1974*

To the Congress of the United States:

I submit herewith a report from the Council of Economic Advisers on the condition of the American economy and on policies for dealing with some of its problems. I believe that this report will help the Congress and the country to put in better perspective the flood of economic events and news that engulfs and confuses us.

In my message on the State of the Union, on January 30, 1974, after referring to the economic consequences of the energy shortage, I said:

“We expect, therefore, that during the early part of this year output will rise little if at all, unemployment will rise somewhat and inflation will be high. Our objective, however, is to turn this situation around so that later in the year output will be rising more rapidly, while unemployment will stop rising and will then decline, and the rate of inflation will slow.”

As events turned out, total production declined about 1½ percent in the first quarter of the year because the gasoline shortage hurt automobile sales and production more than expected. Unemployment rose a little from its low of last October before the oil embargo began. The inflation rate was indeed high.

But by now we can see signs of the improvements that policy has been aiming to achieve. Industrial production in-

creased in April for the first time in five months. The rise in the cost of living in April was only about half as large as in the previous three months, and retail food prices declined. The unemployment rate has not risen since January but declined a little in March and April.

Although the recent events are not conclusive they tend to strengthen the expectation that in the remainder of this year output will be rising more rapidly, prices will be rising much less rapidly and the unemployment rate, while it will probably rise further, will not reach a very high point before it recedes.

These results which we all want will not, however, be achieved without strong and responsible policy actions. There is special danger that the decline of the inflation rate will be small and soon reversed if we do not firmly resist temptations to new inflationary policy.

I would like to acknowledge the recent cooperation of the Congressional leadership in one important area of economic policy. As a result of an exchange of letters between me and the Majority and Minority Leaders of the Senate, economic officials of the Administration have been meeting with the bipartisan leadership of both Houses to consider the problem of shortages. The outcome of these discussions has been agreement on the establishment of a temporary commission representing the Executive Branch, the Legis-

lative Branch and the private sector to examine the possibilities of critical shortages and propose improved methods of foreseeing or averting them.

In the same spirit of working together I call the attention of the Congress to some of the policy implications of the Council's report.

1. Too much government spending is the spark that most often sets off inflationary explosions. As a minimum we must avoid exceeding the expenditures for next year proposed in the Budget. We must work together to cut where we safely can. We must so discipline our present decisions that they do not commit us to excessive spending in the future.

2. We must avoid the temptation of tax reduction without expenditure reduction.

3. The proposals I submitted in April 1973 for improving the unemployment compensation system, and the further steps which I recommended in February 1974, should be promptly enacted. To try to keep the economy permanently pumped up to achieve an arbitrarily-selected full-employment goal would be inflationary and self-defeating. To fail to provide the best unemployment compensation system we can is inexcusable.

4. While the immediate energy crisis has passed we must not be lulled into complacency on that subject. There is urgent need for legislative actions now which will improve the possibility of having the least-cost, secure energy in the future. These actions include:

- a) Deregulation of natural gas.
- b) Establishment of standards governing strip-mining of coal.
- c) Authority for the Secretary of the Interior to license deep-water ports.
- d) Deferral of deadlines for meeting

secondary air quality standards that impede the use of coal.

- e) Steps to accelerate site approval for energy facilities.
- f) Establishment of the proposed Energy Research and Development Administration with an adequate budget.

5. The future of inflation and employment in the United States depends in part on the further development of open and secure economic relations with the rest of the world. I hope that Congress will pass a trade bill enabling the U.S. to negotiate for that without forcing us to turn our back on a part of the world that is economically and politically important.

This is not a complete list of legislative proposals affecting the economy. I have said nothing about health insurance, or tax reform, or workmen's compensation or dozens of other relevant matters. Obviously, there is much for all of us to do. There is so much to do that we cannot afford to waste time arguing about whether our problems are greater or smaller than our blessings. If we concentrate on working together on the problems we shall be better off, both for the solutions reached and for the working together.

RICHARD NIXON

The White House,

May 28, 1974.

NOTE: The message is printed in the report entitled "Economic Developments and Policies: A Report of the Council of Economic Advisers—Transmitted to the Congress by the President May 28, 1974" (Government Printing Office, 44 pp.).

On the same day, the White House released the transcript of a news briefing on the report by Herbert Stein, Chairman of the Council of Economic Advisers.

158 Remarks at the Swearing In of Kenneth Rush as
Counsellor to the President for Economic Policy.
May 29, 1974

Ladies and gentlemen:

We are here today for the swearing in, as assistant to the President, of Kenneth Rush, and it carries me back almost 40 years, when I first met him. I thought he was then a rather senior person, although he was 24 and I was 21. He was an assistant professor at Duke University Law School in the field of corporations.

As assistant to the President, as we have already indicated, he will have the primary responsibility for advice and counsel in the economic area, both domestic and international. I think he certainly is a man who meets the qualifications that are needed for this very, very great responsibility.

His international credentials are well known—as Ambassador to Germany, as Deputy Secretary of State, and also on the defense side as Deputy Secretary of Defense.

What is probably not as well known is that he is a distinguished lawyer and was one of the top business leaders of the United States, chief executive officer of a great American corporation.

I think he is bringing to this position what is needed at this time, not only the coordination but also the ideas that we need to keep our economy growing and to fight the major battle that we have to fight on the economic front to handle inflation.

In addition, we are naming him as a member of the Cabinet, Counsellor to the President, and as a member of the National Security Council, a position he should be in because of his wide creden-

tials in the international field and, particularly, the national defense field.

With all of those responsibilities, I don't know if he is going to be able to spend much time at home, but we welcome him as a member of the Cabinet today, as a member of the National Security Council, and as an assistant to the President.

Mr. Justice Powell of the Supreme Court will administer the oath. Here is the Bible.

[At this point, Associate Justice Lewis F. Powell, Jr., administered the oath of office. The President then resumed speaking.]

Before our new Counsellor responds briefly, I should point out that while he has great additional responsibilities in our battle against inflation, holding the line, he gets no additional money. Now, if you would like to say something, you may.

NOTE: The President spoke at 12:07 p.m. in the Oval Office at the White House.

Counsellor Rush responded to the President's remarks as follows:

Thank you very much, Mr. President. Members of the Cabinet, distinguished Mr. Justice Powell, and ladies and gentlemen:

As the President said, I have known him for almost 40 years, and I knew him when he was president of the student body of the Duke Law School, and when he was second in the class, but when he was first, working about twice as hard as the President did as a student.

Five years ago, I joined the President's official family and went to Germany, and during those 5 years, we have made, I think, incredible progress in achieving his great goal of a generation of peace.

And in the achieving of this goal, Mr. President, I have seen at firsthand how very essential it is to have your strong support and your guidance. Without that, the very idea would never

have come about. Without that, of course, we would not have our present relations with Moscow and with Peking.

And as we move from confrontation to negotiation and as we move forward in this generation of peace that we are seeking, the President has pointed out very strongly that we cannot disassociate security, political matters, and economic matters. I feel, as I come to the White House to help the President on economic affairs, that I am participating just as much in seeking the generation of peace as I was as Ambassador to Germany or in the Defense Department or the State Department.

Without a strong nation and a strong economy, we obviously cannot have a strong defense.

And without allies with whom we can patch up economic differences without confrontation, we are not going to have a strong alliance. And without a united front in the Government, pushing the President's objectives in economic matters, we are not going to have the proper governmental guidance.

Mr. President, I am looking forward very much to working with you. I know the task is not going to be an easy one or I wouldn't particularly want it, and I don't think you would need anyone in the post. But I shall do my best. I am looking forward to working with your very able executives and advisers in this work.

Thank you very much.

159 Remarks About a Syrian-Israeli Agreement Leading to the Disengagement of Forces. May 29, 1974

Ladies and gentlemen:

I have an announcement that will also be made today in Jerusalem and in Damascus. The announcement reads as follows: "The discussions conducted by United States Secretary of State Dr. Henry Kissinger with Syria and Israel have led to an agreement on the disengagement of Syrian and Israeli forces. The agreement will be signed by Syrian and Israeli military representatives in the Egyptian-Israeli Military Working Group of the Geneva Conference on Friday"—this Friday—"May 31."

Just a word about the significance of this development. It is obviously a major diplomatic achievement, and Secretary Kissinger deserves enormous credit for the work that he has done, along with members of his team, in keeping this negotiation going and finally reaching an agreement when, at many times over the past few weeks, it seemed that the negotiations would break down.

Also, credit goes to the governments

concerned who had great differences which had to be resolved. I have sent messages of congratulations to Prime Minister Meir of Israel and also to President Asad of Syria, congratulating them with regard to the statesmanship that they have shown in resolving differences that seemed totally without any prospect of resolution a month or so ago and even, as a matter of fact, several times over the past month.

This particular agreement, together with the agreement that was reached earlier on disengagement of Egyptian and Israeli forces, now paves the way for progress in Geneva and, of course, with the various governments involved, toward our objective and, we trust, their objective as well, of achieving a permanent peace settlement for the entire Mideast area.

However, we should have in mind that despite the fact that these two agreements have now been signed, or have been reached, that there are many difficulties

ahead before a permanent settlement is reached. However, what was a major roadblock to any permanent settlement has now been removed and, I think, the most difficult roadblock, the roadblock being the differences that had long existed between Israel and Syria.

As far as the United States is concerned, we shall continue with our diplomatic initiatives, working with all governments in the area toward working toward achieving the goal of a permanent settle-

ment, a permanent peace. And I can only say that, based on the success in reaching this agreement in which the differences were so great, that the prospects for reaching agreement on a permanent basis, I think, now are better than they have been at any time over the past 25 years.

Thank you.

NOTE: The President spoke at 1:02 p.m. in the Briefing Room at the White House. His remarks were broadcast live on nationwide radio and television.

160 Statement Announcing a Trade Agreement Between the European Economic Community and the United States. *May 31, 1974*

I AM pleased to announce this morning that trade negotiators from the United States and the European Community, meeting in Brussels, have agreed on a formula for reducing Community import duties on a significant number and volume of American exports. These reductions are in compensation for changes which occurred when the European Community was enlarged to include Great Britain, Ireland, and Denmark.

The resolution of this important issue, following long and arduous negotiations over a period of several months, represents a major step toward improved Atlantic

relationships. It also helps to clear the way for prompt Senate action on the Trade Reform Act.

For their efforts in negotiating this agreement, Sir Christopher Soames, Vice President of the European Communities Commission, and Ambassador William D. Eberle, the U.S. Special Representative for Trade Negotiations, both deserve the thanks of the entire Atlantic Community.

It is the hope of the United States that the spirit which prevailed during these negotiations will continue in the months and years ahead as we seek to resolve other important and sensitive issues.

161 Statement Announcing Establishment of a Veterans Administration Man-on-the-Campus Program. *May 31, 1974*

IN TRYING to solve the problems faced by veterans of the Vietnam era, one of the first goals of the Administration has been to ensure that all beneficiaries of the GI bill receive prompt and efficient service.

In a radio address to the Nation on March 31, I stated that "Veterans need to know if we can find a better way of delivering checks on time." I also directed the Administrator of Veterans Affairs to

work with the Director of the Office of Management and Budget to come up with sound, workable solutions to the problem.

Today I am happy to announce an important result of this mandate for action: the establishment of a VA Man-on-the-Campus program. In cooperation with colleges and universities, the Veterans Administration this fall will place full-time representatives on those campuses where more than 500 Vietnam-era veterans are enrolled. In addition, the VA will employ other representatives to visit those campuses where less than 500 such veterans are enrolled. Altogether, we expect to have more than 1,300 representatives of the Veterans Administration participating in this new program.

Considerable progress has already been made in expediting the delivery of benefit checks. Now, with the inauguration of the Man-on-the-Campus program, the veteran student population will have the

services of a network of concerned, knowledgeable aides, fellow veterans, and contemporaries, to help iron out problems and correct clerical errors or oversights right on the campus. The VA representatives will work closely with campus officials and organizations already involved in helping veterans. In effect, this new program provides veterans utilizing the educational benefits of the GI bill with an accessible, concerned individual available to help when problems or complications arise.

This welcome addition to existing Veterans Administration educational services should prove invaluable to the nearly 1 million veterans currently in college under the GI bill, and to those other eligible veterans who will take advantage of the GI bill education benefits in the years ahead.

NOTE: On the same day, the White House released a fact sheet on the program.

162 Statement on Signing Two Bills Providing for Improvement of Veterans Benefits. *May 31, 1974*

I AM signing into law S. 3072, the Veterans Disability Compensation and Survivor Benefits Act of 1974, and S. 3398, providing a temporary extension of the GI bill eligibility period.

The compensation bill illustrates what can be done in behalf of our Nation's veterans when the Congress and the executive branch work together. Less than 3 months ago, I invited the Veterans' Affairs Committees of the Congress to collaborate upon needed improvements in the veterans and survivors compensation programs. I am gratified that within this period the Congress has responded to my

proposals to lift basic benefits by an amount which recognizes increases in the cost of living. While this bill does not include my proposal to provide for future increases in the cost of living through an automatic adjustment in benefits, I hope that the Congress may yet confer this further benefit upon disabled veterans and their families.

I am pleased that S. 3072 brings compensation benefits fully abreast of increases in living costs. It increases disability compensation rates by a range of 15 percent to 18 percent. Furthermore, it increases the rates of dependency and

indemnity compensation for widows and children by about 17 percent. These rate increases approximate the rise in the Consumer Price Index since these benefits were last increased.

This is the fourth opportunity I have had during my Administration to sign into law increases in disability compensation or indemnity compensation. These benefit increases will soon be helping approximately 2½ million of our most deserving men and women veterans disabled in the service of our country and the survivors of men and women who died of service-connected causes.

Beyond the increases authorized by S. 3072, I am pleased to announce that in fulfillment of my pledge to the Congress last March, the Veterans Administration is developing proposals which will raise compensation benefits for veterans who have been shown to be undercompensated. These proposals will be based on an in-depth survey of the earnings impairment of service-disabled veterans. We

will shortly be sending these proposals to the Congress for appropriate review.

In my radio address of March 31, I called attention to the need to intensify the Nation's efforts to assist Vietnam veterans in finding their rightful place in the civilian economy. An increase in educational benefits under the GI bill should be adopted now, consistent with the cost of living rise since the last change. This will enable us to provide veterans the kind of financial support they need to enter and stay in training.

To finance these bills and the pledged improvements in veterans services, I will shortly submit to the Congress supplemental appropriation requests. I urge the Congress to take speedy action on these requests so that our veterans and their families can quickly receive the higher benefits and improved services authorized by this legislation.

NOTE: As enacted, S. 3072 is Public Law 93-295 (88 Stat. 180), and S. 3398 is Public Law 93-293 (88 Stat. 176).

163 Statement About the Death of Edward K. Gaylord.

June 1, 1974

E. K. GAYLORD was a rugged, enduring pioneer whose memory will live in the annals of American journalism. His news career began in 1901 and ended only with his death, at the age of 101. Typically, he was active and working to the end.

Over the years, as editor and publisher, Mr. Gaylord built the Daily Oklahoman into one of the leading newspapers of the

American Southwest. His clear, forthright, and reasoned editorials reflected not only his keen judgment of men and events but his deep love of country.

Mrs. Nixon and I extend our sympathy to Mr. Gaylord's family and friends on the sad occasion of his passing.

NOTE: Mr. Gaylord died in Oklahoma City, Okla., on May 30, 1974.

164 Message to the Congress Transmitting First Annual
Report on Coastal Zone Management. *June 4, 1974*

To the Congress of the United States:

I am transmitting the first annual report on the management and conservation of our coastal resources, as required by the Coastal Zone Management Act of 1972. This report covers fiscal year 1973, a year of study and organization preparatory to the financial implementation of the act in fiscal year 1974.

In the spirit of the New Federalism, this program constitutes a partnership between the States and the Federal government. It will seek to solve what some have described as the dilemma of conservation versus development in the ecologically fragile coastal zone area of our country. Together with the Congress we recognize this dilemma, but neither branch of Government believes conservation and development are mutually exclusive. We must permit neither development nor conservation to become completely dominant. By systematically weighing the benefits and the costs of proposed actions, we can provide for both conservation and progress.

Together with the land use legislation now pending in the Congress, the Coastal

Zone Act would provide our Nation with complete geographic coverage for this important State-Federal planning partnership. We look to land use and coastal zone plans to assist us in preserving our natural heritage and in permitting orderly development of our resources for the common good. This is especially important in the coastal areas where most of our population is concentrated, where many of our recreational and employment opportunities are centered, and where many forces compete for our resources.

Significant groundwork has been laid in planning for implementation of the Coastal Zone Act. As a result, I believe we are able to look forward to rapid progress as the Federal government begins this important task in partnership with State governments.

RICHARD NIXON

The White House,

June 4, 1974.

NOTE: The report is entitled "Coastal Zone Management, Annual Report for Fiscal Year 1973" (Government Printing Office, 6 pp.).

165 Remarks at Commencement Ceremonies at the
United States Naval Academy, Annapolis, Maryland.
June 5, 1974

Admiral Mack, members of the graduating class of 1974, and all of our very distinguished guests:

As one who served in World War II with great pride in the United States Navy, it is a special honor and privilege

for me to participate in this 124th commencement ceremony of the United States Naval Academy. The class of 1974 will face challenges as unique and demanding as any in the long and proud history of the Academy.

In a letter to Lafayette in November of 1781, George Washington wrote, "Without a decisive Naval force we can do nothing definitive. And with it, everything honorable and glorious."

As Washington well knew, it was the Navy that meant the difference between victory and defeat in America's struggle for independence. It was the Navy that meant the difference in the birth of a nation.

Today, in a nuclear age, the Navy's role is just as important as it was 2 centuries ago. For now, when the American continent is no longer an isolated fortress, but instead an integral part of a shrinking and a troubled world, a strong American Navy is an indispensable factor in maintaining global peace and global stability.

You are embarking on your careers at a time when America's Armed Forces are making a vital contribution to achieving a goal of fundamental importance to each of us here today, to all Americans, and to all nations of the world: the goal of a lasting peace. This is the goal to which I have personally pledged this Administration since the first day of my Presidency. It is a goal to which American diplomacy is totally committed. And it is a goal that can only be reached when it is backed by American strength and American resolve.

As you set out on your noble voyage as new leaders in the defense of peace, I would like to sketch for you the outline of America's strategy for peace and the important role you will now play in advancing that strategy.

Let us look back a moment to the world in which you have grown to manhood.

When the war ended in Europe and Asia in 1945, America was the only economic and military super power in the

world. Most of Europe and Japan were in ruins—economically exhausted, politically demoralized. Leadership of a whole free world fell on our shoulders, whether we wanted it or not.

Hard as it was, our task at the outset was made easier by our overwhelming material strength and by a strong, unified sense of national purpose.

Around the globe, we, as Americans, committed ourselves to halting the advance of communism, to promoting economic development, and even to encouraging other countries to adopt our economic, political, and social ideas.

Simplistic and occasionally misguided as this goal may have been, it was a noble and unselfish goal in its enthusiasm. And despite some mistakes, which we came to correct, we in our hearts know—and millions in Europe and Japan and in the developing world know—that America's contribution to mankind in the quarter century after the war was of historic and unprecedented dimensions. And we can be proud that America was as generous in helping our former enemies as we were in aiding our friends.

During this same period, the face of the world changed more rapidly and dramatically than ever before in the world's history. Fifty-eight newly independent nations joined the world community. The once monolithic Communist bloc was splintered. New centers of power emerged in Europe and in Asia.

American zeal and innocence were tempered during these years, also. The war in Korea, followed by the long war in Vietnam, sapped too much of our national self-confidence and sense of purpose. Our own domestic needs commanded greater attention. And by the later 1960's, our

policy of trying to solve everyone's problems all over the world was no longer realistic, nor was it necessary.

America was no longer a giant towering over the rest of the world with seemingly inexhaustible resources and a nuclear monopoly.

As our overwhelming superiority in power receded, there was a growing threat that we might turn inward, that we might retreat into isolation from our world responsibilities, ignoring the fact that we were, and are still, the greatest force for peace anywhere in the world today.

This threat of a new wave of isolationism, blind to both the lessons of the past and the perils of the future, was and remains today one of the greatest potential dangers facing our country.

Because in our era, American isolation could easily lead to global desolation. Whether we like it or not, the alternative to détente is a runaway nuclear arms race, a return to constant confrontation, and a shattering setback to our hopes for building a new structure of peace in the world.

When we came into office in 1969, this Administration faced a more complex, a more challenging, and yet, in some ways, a more promising world situation than that which existed in the post-World War II era.

While we could not and will not abdicate our responsibilities as the most powerful nation in the free world, it was apparent that the time had come to reassess those responsibilities. This was the guiding purpose of the Nixon Doctrine, a doctrine which says that those we help to enjoy the benefits of freedom should bear a fair share of the burden of its defense as well.

It was also clear that both pragmatism and moral force had to be the double

prongs of any American foreign policy in the new era. A sense of moral purpose is part of our heritage, and it is part of the tradition of our foreign policy. Pragmatism, realism, and technical efficiency must not be the sole touchstone of our foreign policy. Such a policy would have no roots or inspiration and could not long elicit positive support from the American people and the Congress, and more important, it would not deserve the respect of the world.

We had to remember, however, that unrealistic idealism could be impractical and potentially dangerous. It could tempt us to forgo results that were good because we insisted upon results that were perfect.

A blend of the ideal and the pragmatic in our foreign policy has been especially critical in our approach to the Soviet Union. The differences between our two systems of life and government are sharp and fundamental. But even as we oppose totalitarianism, we must also keep sight of the hard, cold facts of life in the nuclear age. Ever since the Soviet Union achieved equality in strategic weapons systems, each confrontation has meant a brush with potential nuclear devastation to all civilized nations. Reduction of tensions, therefore, between us has become the foremost requirement of American foreign policy.

The United States will not retreat from its principles. The leaders of the Soviet Union will not sacrifice theirs. But as we have the valor to defend those principles which divide us as nations, we must have the vision to seek out those things which unite us as human beings.

Together, we share the capacity to destroy forever our common heritage of 4,000 years of civilization. Together, we

are moving to insure that this will not—because it must not—happen.

Slowly and carefully over the past 5 years, we have worked with the Soviet Union to resolve concrete problems that could deteriorate into military confrontations. And upon these bridges, we are erecting a series of tangible economic and cultural exchanges that will bind us more closely together.

The American people are a great people; the Russian people are a great people. These two great people, who worked together in war, are now learning to work together in peace. Ultimately, we hope that the United States and the Soviet Union will share equally high stakes in preserving a stable international environment.

The results of this policy have been heartening. The problem of Berlin, where our nations were at sword's point for a quarter of a century, has now been resolved by negotiation. Our two countries have concluded an historic agreement to limit strategic nuclear arms.

We and our allies have engaged the Soviet Union in negotiations on major issues of European security, including a reduction of military forces in central Europe. We have substantially reduced the risk of direct U.S.-Soviet confrontation in crisis areas. We have reached a series of bilateral cooperative agreements in such areas as health, environment, space, science and technology, as well as trade.

At the Moscow summit in 1972, our Secretary of the Navy [and] the Commander in Chief of the Soviet Navy signed an agreement on the prevention of incidents on and over the high seas—a code of conduct aimed at eliminating dangerous actions of the cold war era and a code

of conduct which has already proved a success.

Over the past 5 years, we have reached more agreements with the Soviet Union than in the entire postwar period preceding that, and this is a record in which all Americans can take pride.

In keeping with our efforts to bring America's foreign policy into line with modern realities, we have also sought to normalize our relation with the People's Republic of China, where one-fourth of all of the people in the world live, a country with which we shared nothing but confrontation and distrust during a quarter century of cold war.

Beginning with an official dialog opened in 1971, we have negotiated constructive agreements in the areas of trade and scientific and cultural exchanges. We established liaison offices in our respective capitals last year. We expect further progress in the years ahead.

We have also succeeded, as Admiral Mack has indicated, in ending our military involvement in Vietnam in a manner which gave meaning to the heavy sacrifices we had made and which greatly enhanced the preservation of freedom and stability in Southeast Asia.

One result is that today the 20 million people of South Vietnam are free to govern themselves and they are able to defend themselves. An even more important result is that we have proved again that America's word is America's bond.

We have preserved the trust of our allies around the world by demonstrating that we are a reliable partner in the defense of liberty; we have earned the respect of our potential adversaries by demonstrating that we are a reliable partner in the search for peace.

America's unique and essential contri-

bution to peace is nowhere better demonstrated than in the Middle East. The hate and distrust that has for so long poisoned the relationship between Arabs and Israelis has led to war four times in the last 40 years, and the toll of death and human suffering was immense, while the tension made the Middle East a world tinderbox that could easily draw the United States and the Soviet Union into military confrontation. The need for a stable solution among the regional parties as well as between the great powers was overwhelmingly urgent.

The October war of last year, while tragic, also presented a unique opportunity, because for the first time, it was clear to us and clear to the moderate leaders of the Arab world that a positive American role was indispensable to achieving a permanent settlement in the Middle East. And it was for this reason that I sent Secretary of State Kissinger to the Middle East to offer our good offices in the process of negotiation.

The results, which reflect more than anything else the vision and statesmanship of the leaders of both sides, have been encouraging. An agreement to separate military forces has been implemented on the Egyptian-Israeli front, and now a similar accord has been negotiated between Israel and Syria. For the first time in a generation, we are witnessing the beginning of a dialog between the Arab States and Israel.

Now, the road to a just and lasting and permanent peace in the Mideast is still long and difficult and lies before us. But what seemed to be an insurmountable roadblock on that road has now been removed, and we are determined to stay on course until we have reached our goal of a permanent peace in that area. The

role of Secretary Kissinger in this process has presented a testament to both his remarkable diplomatic capabilities and to the soundness and integrity of our belief that a lasting structure of peace can—and must—be created.

In surveying the results of our foreign policy, it is ironic to observe that its achievements now threaten to make us victims of our success. In particular, a dangerous misunderstanding has arisen as to just what *détente* is and what it is not.

Until very recently, the pursuit of *détente* was not a problem for us in America. We were so engaged in trying to shift international tides away from confrontation toward negotiation that people were generally agreed that the overriding consideration was the establishment of a pattern of peaceful international conduct. But now that so much progress has been made, some take it for granted.

Eloquent appeals are now being made for the United States, through its foreign policy, to transform the internal as well as the international behavior of other countries, and especially that of the Soviet Union. This issue sharply poses the dilemma I outlined at the outset. It affects not only our relation with the Soviet Union but also our posture toward many nations whose internal systems we totally disagree with, as they do with ours.

Our foreign policy, therefore, must reflect our ideals, and it must reflect our purposes. We can never, as Americans, acquiesce in the suppression of human liberties. We must do all that we reasonably can to promote justice, and for this reason, we continue to adhere firmly to certain humane principles, not only in appropriate international forums but also in our private exchanges with other governments—where this can be effective.

But we must recognize that we are more faithful to our ideals by being concerned with results, and we achieve more results through diplomatic action than through hundreds of eloquent speeches.

But there are limits to what we can do, and we must ask ourselves some very hard questions, questions which I know members of this class have asked themselves many times. What is our capability to change the domestic structure of other nations? Would a slowdown or reversal of détente help or hurt the positive evolution of other social systems? What price—in terms of renewed conflict—are we willing to pay to bring pressure to bear for humane causes?

Not by our choice, but by our capability, our primary concern in foreign policy must be to help influence the international conduct of nations in the world arena. We would not welcome the intervention of other countries in our domestic affairs, and we cannot expect them to be cooperative when we seek to intervene directly in theirs.

We cannot gear our foreign policy to transformation of other societies. In the nuclear age, our first responsibility must be the prevention of a war that could destroy all societies.

We must never lose sight of this fundamental truth of modern, international life. Peace between nations with totally different systems is also a high moral objective.

The concepts of national security, partnership, negotiation with adversaries are the central pillars of the “structure of peace” this Administration has outlined as its objective.

If a structure of peace is to endure, it must reflect the contributions and recon-

cile the aspirations of nations. It must be cemented by the shared goal of coexistence and the shared practice of accommodation. It must liberate every nation to realize its destiny free from the threat of war, and it must promote social justice and human dignity.

The structure of peace of which I speak will make possible an era of cooperation in which all nations will apply their separate talents and resources to the solution of problems that beset all mankind—the problems of energy and famine, disease and suffering—problems as old as human history itself.

It was with this thought in mind that in February we launched an effort to bring together the principal consumer countries to begin working on the problem of equitably meeting the needs of people throughout the world who are faced with the prospect of increasingly scarce resources—in this case, energy.

Out of recognition of the tragedy of human hunger and of the urgent need to apply man’s technology cooperatively to its solution, the United States has also called for a United Nations World Food Conference to take place in Rome this fall.

My trip to the Middle East next week will provide an opportunity to explore with the leaders of the nations I shall visit ways in which we can continue our progress toward permanent peace in that area.

And then later this month, on June 27, I will again journey to Moscow to meet with General Secretary Brezhnev to explore further avenues, further prospects for a lasting peace, not only between the Soviet Union and the United States but among all nations.

Each of these missions, in a way, is a

reflection of America's broader hopes and responsibilities. And I say to you gentlemen, these are hopes and responsibilities each of you will be helping to meet as you journey to your first duty stations.

As long as you do your duty, as long as the people and the Government support you, the America, the country you love and serve, will survive.

Today, each one of you becomes a custodian of a noble tradition of service. As the first class to have begun its studies in the post-Vietnam era, it falls to you to serve in such a way that the graduates who follow you in the years to come will enter a United States Navy that is strong, that is prepared, and is respected, and above all, a navy and a nation at honorable peace with all nations in the world.

One hundred and seventy years ago, after Nelson's great victory at Trafalgar, Prime Minister William Pitt was honored at a dinner at London's historic Guild-

hall. He was hailed as the savior of Europe. He responded to that toast with a brief speech that has been named by Lord Curzon as one of the three masterpieces of English eloquence.

Listen to his words: I return you many thanks for the honor you have done me. But no single man will save Europe. England has saved herself by her exertions and will, I trust, save Europe by her example.

Today, 170 years later, we can say, no single nation can save the world, but America can and will save herself by her exertions and will, we trust, by our example, save the cause of peace and freedom for the world.

NOTE: The President spoke at 10:49 a.m. at the Navy-Marine Corps Memorial Stadium. An advance text of his remarks was released on the same day.

Vice Adm. William P. Mack, USN, was Superintendent of the United States Naval Academy.

166 Remarks at a Luncheon With Prince Fahd of Saudi Arabia. June 6, 1974

Your Royal Highness and all of our distinguished guests from Saudi Arabia and from the United States:

It is very appropriate that we are having this luncheon, the last social function at the White House prior to a visit to the Mideast by the President of the United States. This visit is one that comes at a time that we are developing a hopeful, new relationship with the nations in that area, and particularly with the Arab nations, some of which we have not had very helpful or, shall we say, close relations with in the past because of events on the international scene.

But as we welcome our friends from Saudi Arabia, it seems to me very important to say to this company, and also to say it to all of those who may hear or read these words in America and in the world, that America's interest in the Mideast is not solely and not even primarily dictated by what we call those pragmatic selfish concerns that usually are the factor most important in foreign policy.

For example, there are those who might say we receive our Saudi friends here in this company and the President of the United States welcomes the opportunity to go there because Saudi Arabia is the

greatest producer of oil in the world, and we buy some oil from them. But a relationship between two countries bound together only by oil would not last very long.

Our very distinguished guest, His Royal Highness Prince Fahd, brought this home to me in our constructive discussions this morning when he said, "The friendship between Saudi Arabia and the United States goes back many years before we discovered the enormous oil reserves of that country."

And it is that friendship which binds us together; it is that friendship that we honor today; it is that kind of friendship that we wish to develop with the nations we will visit on this trip and the other nations in that area.

And I can only say, speaking personally, that while I have not had the privilege of being to Saudi Arabia before, I have valued for over 20 years a very close, personal friendship with King Faisal, with many members of this company who are here today, and I know whereof I speak when I say that, yes, we have interests which bring us together, but even more important, we have friendship that will last long after any interests might disappear.

And to that friendship between two great countries, it is in that spirit that I propose a toast today to His Royal Highness.

Gentlemen, will you rise to His Royal Highness Prince Fahd, and friendship between the Saudi Arabian and the American people.

NOTE: The President spoke at 2:05 p.m. in the State Dining Room at the White House at the luncheon for Prince Fahd Ibn Abd al-Aziz Al Saud, Second Deputy Prime Minister and

Minister of Interior of Saudi Arabia, and other Saudi Arabian officials.

Prince Fahd responded to the President's remarks in Arabic. His remarks were translated by an interpreter as follows:

Mr. President, distinguished guests:

It is a great source of pleasure for me to find myself here in this great country, among my American friends, headed by President Nixon.

The sentiments so eloquently expressed by the President, when he said that what binds us is an age-old friendship, is exactly the sentiment I would like to reiterate and to emphasize, that it is this kind of friendship that we have always sought, that we will continue to seek, namely, the friendship that is not based on just things material but that springs from the heart.

Mr. President, the great role that you, aided by your very able Secretary of State, played in trying circumstances in the Middle East for bringing about the achievements that have so far been brought about, will be immortalized by history, will be chalked up as an excellent, commendable, brilliant mark for the United States as such, for the United States President, United States Government, and the United States people.

This is precisely the great role that we feel is tailored for the United States of America to play, because it is this country that has sounded for many a year the clarion of freedom, of independence, stability, and prosperity for the whole world.

The Arab world, particularly those countries that you, Mr. President, will be visiting, those countries are looking forward to the days of your visits because of the symbolism unfolded on that day, the symbolism of friendship, of your United States efforts to work for peace and prosperity, not only for the Near Eastern area but for the world at large.

Therefore, I beseech Almighty God to guide your steps, to grant you divine guidance and the power and the will to achieve those things, to reach those goals that we know you cherish for the good of humanity and for the world.

We realize that the future is never smooth, the future will probably hold some difficulties, but we do not consider them insurmountable because, given the stout heart and the great will that you have, Mr. President, that the

American people are famous for, there is nothing that you cannot vanquish to the good of mankind.

Therefore, permit me to propose a toast to the President of the United States and His Majesty King Faisal of Saudi Arabia.

167 Remarks at a Luncheon of the National Citizens' Committee for Fairness to the Presidency. June 9, 1974

Rabbi Korff, Secretary Simon, Secretary Butz, Senator Curtis, all of the very distinguished guests both here at the head table and in this audience:

Tomorrow, as you know, Mrs. Nixon and I will start a very long journey of 15,000 miles in which we will visit five nations, four of which have never been visited by a President of the United States before. This will be a long trip. It will be a difficult trip from the physical standpoint, the long journey as well as the many events that are planned. It will also be a difficult trip from the standpoint of the diplomacy involved, in attempting to build on the progress that has already been made as a result of the trips that have been taken there by Secretary Kissinger before and the negotiations that we have had.

But I can assure you that on this long, difficult, and very important journey, that when we sometimes may feel tired, that we will never be discouraged, and we will always be heartened by the memory of this luncheon that we are having today.

As Senator Curtis has implied, what we say here will probably be little noted by the media, but what you have done here and throughout the United States will be long remembered, not only by the President but by all future Presidents for whom you are working.

I think Rabbi Korff deserves special credit, not only for his magnificent leader-

ship but for his designation of this group, which covers 49 of the 50 States, as being not simply one that supports a man but, even more important, that supports an institution, the Office of the Presidency. We are grateful to Rabbi Korff. We are grateful to each and every one of you and to the hundreds of thousands and millions throughout this country who recognize that what is involved, not only in what has happened over the past few months and years but what is involved in the future, is the American Presidency and what it can do for this Nation, what it can do not only for Americans but for all the people who inhabit this globe.

I want you to know that I realize you come from the heart of America, and you have touched our hearts.

I have visited—and on most of these trips Mrs. Nixon has been with me—but I have visited over 80 countries over the past 27 years. I have visited many countries that no President has ever visited before. And there is a tendency, of course, for all of us to assume that one journey means the accomplishment of a goal, but each of these journeys is one that simply contributes to a goal which is far in the future and one to which we must constantly rededicate ourselves, one which we must constantly work to achieve.

For example, on this trip to the Mid-east, all of the problems that exist in that

area will not be solved. We will simply build on the progress that has been made. We can give assurances to our friends, long-time friends in the area, that they should have. We can also give assurances to those who have been our adversaries in the area of what our goal is—not one of domination, but one of assuring for every nation in that area and every nation on the globe the right to independence, the right to security, the right to seek their own way to achieve their own goals.

This is the American foreign policy in a nutshell. It is one that we have sought, sometimes unsuccessfully, but it is one to which we have been dedicated throughout the years that I can remember.

What I want each and every one of you to understand is that as we talk about the Presidency and we think of the remainder of the term of this President, that we still have much to achieve. We have already achieved a great deal at home and abroad. Because of its timeliness, speaking only of what has happened abroad, in the past 5 years we have seen the whole world change and change for the better: the end of a long war in which the United States had been involved, and ending it with the respect and the honor which is essential for a great power if it is to be a leader after the end of a war; the opening of communication with the leaders of one-fourth of all the people in the world who inhabit the People's Republic of China; the opening of negotiations with the great super power, the Soviet Union, with whom we have, as we have with many other nations, basic disagreements in philosophy which will not be solved in our time or in theirs, but countries with which we are seeking to develop those means of communication so that we can

see that the talents of the American people and the Russian people and the Chinese people, and wherever people may live throughout this world, are devoted to the works of peace rather than to the works of war.

This is the goal that Americans believe in—devoted, for example, to energy, speaking in the narrow sense, that Secretary Simon has had such great experience in, energy adequate for all people wherever they may be; speaking, for example, about food, which Secretary Butz is an expert in, in which the United States can provide the leadership which we, as the most efficient agriculture producer in the world, can provide so that hunger can be eradicated, not only here but throughout the world.

These are great goals, and they require total dedication, not to be diverted by war, not to be diverted by confrontation, but dedication to the challenges of peace. I say that in order to accomplish these goals, it will take everything in terms of dedication, in terms of hard work that we will be able to contribute in the balance of our term. But it will take far more than that.

Whoever is the American President, be he a Democrat or Republican, in the years ahead to the end of this century—we will not try to look beyond that—but whoever is the American President will hold within his hands the responsibility for building on the great initiatives that we have begun.

I can assure you that the hope for building a peaceful world rests in the leadership of the United States, and that leadership, of course, rests in the hands of whoever may be President.

And so, the cause you have worked for,

my friends, is not simply for a man, but the cause you have worked for and are working for is much bigger than one man or one President. The cause you are working for is for this office, which is so important—actually which is indispensable to what we want to build, we as Americans: a peaceful world for our children and our grandchildren and for those of others who have been our friends, and even those who have been our adversaries and our enemies.

This, indeed, is a great goal. That is what brings us together. That is what inspires you. And we want to be worthy of your dedication, and we can assure you that we will do everything we can to deserve the respect, the hard work you have given, each and every one of you throughout this country, voluntarily, to that cause.

I can assure you, my friends, looking back over these past 5 years and looking at the American Presidency for that matter over the past 27 years when I have known it either as a Congressman, or Senator, or as Vice President, or out of office, or as President, that a strong American Presidency is essential if we are to have peace in the world.

I can assure you that with your support I shall do nothing that will weaken this office while I am holding this office. I make that statement not just for myself alone but, far more important, for all future Presidents, and far more important even than that, for the cause to which

America is dedicated and which Presidents of the United States for the balance of this century are going to have to carry on their shoulders. They must be strong. They must be effective. They must have support whenever they are engaged in the great pursuits of peace and progress for all peoples to which we, as the idealistic people that we are, have always been dedicated in my memory.

One final personal thought. One of the stenographers in the Executive Office Building has a letter framed on her wall which was written to her from her boss who has been working with the Administration since we first came to Washington. The letter, as I recall, reads something like this. It says: We have been together ever since we came to Washington in 1969 as part of this great adventure, on January 20 of that year, and we shall leave together only when we have completed our service, and we shall leave heads high on January 20, 1977.

We have accomplished, we believe, a great deal that is good for this country as well as for the world over these past 5 years, but there remains much to be done. And believe me, with your help we are going to do the job.

Thank you.

NOTE: The President spoke at 3:05 p.m. in the Regency Room of the Shoreham Americana Hotel.

Rabbi Baruch Korff was president of the National Citizens' Committee for Fairness to the Presidency.

168 Letter Responding to House Judiciary Committee
Subpoenas Requiring Production of Presidential Tape
Recordings and Documents. *June 10, 1974*

Dear Mr. Chairman:

In your letter of May 30, you describe as "a grave matter" my refusal to comply with the Committee's subpoenas of May 15. You state that "under the Constitution it is not within the power of the President to conduct an inquiry into his own impeachment," and add that "Committee members will be free to consider whether your refusals warrant the drawing of adverse inferences concerning the substance of the materials . . ."

The question of the respective rights and responsibilities of the Executive and Legislative branches is one of the cardinal questions raised by a proceeding such as the one the Committee is now conducting. I believe, therefore, that I should point out certain considerations which I believe are compelling.

First, it is quite clear that this is not a case of "the President conduct(ing) an inquiry into his own impeachment." The Committee is conducting its inquiry; the Committee has had extensive and unprecedented cooperation from the White House. The question at issue is not who conducts the inquiry, but where the line is to be drawn on an apparently endlessly escalating spiral of demands for confidential Presidential tapes and documents. The Committee asserts that it should be the sole judge of Presidential confidentiality. I cannot accept such a doctrine; no President could accept such a doctrine, which has never before been seriously asserted.

What is commonly referred to now as "executive privilege" is part and parcel of the basic doctrine of separation of

powers—the establishment, by the Constitution, of three separate and co-equal branches of Government. While many functions of Government require the concurrence or interaction of two or more branches, each branch historically has been steadfast in maintaining its own independence by turning back attempts of the others, whenever made, to assert an authority to invade, without consent, the privacy of its own deliberations.

Thus each house of the Congress has always maintained that it alone shall decide what should be provided, if anything, and in what form, in response to a judicial subpoena. This standing doctrine was summed up in a resolution adopted by the Senate on March 8, 1962, in connection with subpoenas issued by a Federal court in the trial of James Hoffa, which read: "Resolved, that by the privileges of the Senate of the United States no evidence under the control and in the possession of the Senate of the United States can, by the mandate of process of the ordinary courts of justice, be taken from the control or possession, but by its permission . . .". More recently, in the case of Lt. William Calley, the chairman of the House Armed Services subcommittee refused to make available for the court-martial proceeding testimony that had been given before the subcommittee in executive session—testimony which Lt. Calley claimed would be exculpatory. In refusing, the subcommittee chairman, Representative Hébert, explained that the Congress is "an independent branch of the Government, separate from but equal

to the Executive and Judicial branches,” and that accordingly only Congress can direct the disclosure of legislative records.

Equally, the Judicial branch has always held sacrosanct the privacy of judicial deliberations, and has always held that neither of the other branches may invade Judicial privacy or encroach on Judicial independence. In 1953, in refusing to respond to a subpoena from the House Un-American Activities Committee, Justice Tom C. Clark cited the fact that “the independence of the three branches of our Government is the cardinal principle on which our Constitutional system is founded. This complete independence of the judiciary is necessary to the proper administration of justice.” In 1971, Chief Justice Burger analogized the confidentiality of the Court to that of the Executive, and said: “No statute gives this Court express power to establish and enforce the utmost security measures for the secrecy of our deliberations and records. Yet I have little doubt as to the inherent power of the Court to protect the confidentiality of its internal operations by whatever judicial means may be required.”

These positions of the Courts and the Congress are not lightly taken; they are essential to maintaining the balances among the three branches of Government. Equal firmness by the Executive is no less essential to maintaining that balance.

The general applicability of the basic principle was summed up in 1962 by Senator Stennis, in a ruling upholding President Kennedy’s refusal to provide information sought by a Senate subcommittee. Senator Stennis held: “We are now come face to face and are in direct conflict with the established doctrine of separation of powers. . . . I know of no case where the Court has ever made the Senate

or the House surrender records from its files, or where the Executive has made the Legislative Branch surrender records from its files—and I do not think either one of them could. So the rule works three ways. Each is supreme within its field, and each is responsible within its field.”

If the institution of an impeachment inquiry against a President were permitted to override all restraints of separation of power, this would spell the end of the doctrine of separation of powers; it would be an open invitation to future Congresses to use an impeachment inquiry, however frivolously, as a device to assert their own supremacy over the Executive, and to reduce Executive confidentiality to a nullity.

My refusal to comply with further subpoenas with respect to Watergate is based, essentially, on two considerations.

First, preserving the principle of separation of powers—and of the Executive as a co-equal branch—requires that the Executive, no less than the Legislative or Judicial branches, must be immune from unlimited search and seizure by the other co-equal branches.

Second, the voluminous body of materials that the Committee already has—and which I have voluntarily provided, partly in response to Committee requests and partly in an effort to round out the record—does give the full story of Watergate, insofar as it relates to Presidential knowledge and Presidential actions. The way to resolve whatever ambiguities the Committee may feel still exist is not to pursue the chimera of additional evidence from additional tapes, but rather to call live witnesses who can place the existing evidence in perspective, and subject them to cross-examination under oath. Simply multiplying the tapes and transcripts would

extend the proceedings interminably, while adding nothing substantial to the evidence the Committee already has.

Once embarked on a process of continually demanding additional tapes whenever those the Committee already has failed to turn up evidence of guilt, there would be no end unless a line were drawn somewhere by someone. Since it is clear that the Committee will not draw such a line, I have done so.

One example should serve to illustrate my point. In issuing its subpoena of May 15, the Committee rested its argument for the necessity of these additional tapes most heavily on the first of the additional conversations subpoenaed. This was a meeting that I held on April 4, 1972, in the Oval Office, with then Attorney General Mitchell and H. R. Haldeman. The Committee insisted that this was necessary because it was the first meeting following the one in Key Biscayne between Mr. Mitchell and his aides, in which, according to testimony, he allegedly approved the intelligence plan that led to the Watergate break-in; and because, according to other testimony, an intelligence plan was mentioned in a briefing paper prepared for Mr. Haldeman for the April 4 meeting. Committee members made clear their belief that the record of this meeting, therefore, would be crucial to a determination of whether the President had advance information of the intelligence activities that included the break-in.

As it happens, there also was testimony that the ITT matter had been discussed at that April 4 meeting, and the Committee therefore also requested the April 4 conversation in connection with its ITT investigation. On June 5, 1974, a complete transcript was provided to the Com-

mittee for the purposes of the ITT probe, together with an invitation to verify the transcript against the actual tape. This transcript shows that not a word was spoken in that meeting about intelligence plans, or about anything remotely related to Watergate—as the Committee can verify.

I cite this instance because it illustrates clearly—on the basis of material the Committee already has—the insubstantiality of the claims being made for additional tapes; and the fact that a Committee demand for material does not automatically thereby convert the requested material into “evidence.”

As for your declaration that an adverse inference could be drawn from my assertion of Executive privilege with regard to these additional materials, such a declaration flies in the face of established law on the assertion of valid claims of privilege. The Supreme Court has pointed out that even allowing comment by a judge or prosecutor on a valid Constitutional claim is “a penalty imposed by courts for exercising a Constitutional privilege,” and that “it cuts down on the privilege by making its assertion costly.” In its deliberations on the Proposed Federal Rules of Evidence, the House of Representatives—in its version—substituted for specific language on the various forms of privilege a blanket rule that these should “be governed by the principles of the Common law as they may be interpreted by the courts of the United States in light of reason and experience. . . .” But as adopted in 1972 by the Supreme Court—the final arbiter of “the principles of the Common law as . . . interpreted by the courts,” and as codification of those principles—the Proposed Federal Rules

clearly state: "The claim of a privilege, whether in the present proceeding or in a prior occasion, is not the proper subject of comment by judge or counsel. No inference may be drawn therefrom."

Those are legal arguments. The common-sense argument is that a claim of privilege, which is valid under the doctrine of separation of powers and is designed to protect the principle of separation of powers, must be accepted without adverse inference—or else the privilege itself is undermined, and the separation of powers nullified.

A proceeding such as the present one places a great strain on our Constitutional system, and on the pattern of practice of self-restraint by the three branches that has maintained the balances of that system for nearly two centuries. Whenever one branch attempts to press too hard in intruding on the Constitutional prerogatives of another, that balance is threat-

ened. From the start of these proceedings, I have tried to cooperate as far as I reasonably could in order to avert a Constitutional confrontation. But I am determined to do nothing which, by the precedents it set, would render the Executive branch henceforth and forevermore subservient to the Legislative branch, and would thereby destroy the Constitutional balance. This is the key issue in my insistence that the Executive must remain the final arbiter of demands on its confidentiality, just as the Legislative and Judicial branches must remain the final arbiters of demands on their confidentiality.

Sincerely,

RICHARD NIXON

[The Honorable Peter W. Rodino, Jr., Chairman, Committee on the Judiciary, House of Representatives, Washington, D.C. 20515]

NOTE: The text of the letter, dated June 9, 1974, was released on June 10.

169 Letter to the President of the Senate and the Speaker of the House Transmitting a Defense Reorganization Order. *June 10, 1974*

UPON THE ADVICE of the Secretary of the Army, the Secretary of Defense has recently approved a reorganization within the Department of the Army designed to streamline Army Staff operations and realize personnel savings at the headquarters level.

I am enclosing for transmittal to the Chairman of the Armed Services Committee a communication from the Secretary of Defense together with a Defense Reorganization Order issued pursuant to

section 125 of title 10, United States Code, and required to effect the transfer incident to the reorganization of certain statutory functions within the Department of the Army.

Sincerely,

RICHARD NIXON

NOTE: This is the text of identical letters addressed to the Honorable Gerald R. Ford, President of the Senate, and the Honorable Carl Albert, Speaker of the House of Representatives.

170 Remarks on Departure for the Middle East.

June 10, 1974

Mr. Vice President, members of the diplomatic corps, members of the Cabinet, and all of our friends who have been so gracious to come here to see us off on what we hope and believe will be another journey for peace:

It seems just a little while ago that we saw many of you when we left in 1972, first, on a trip to the People's Republic of China early in that year, and later, on a trip to the Soviet Union. Both of those journeys were ones that had a profound impact, not only on the relations between the nations involved but also on building a structure of peace for the whole world.

This trip will take us to a part of the world that has known nothing but war over the past 30 to 40 years. As we go to five countries, four of which have never been visited by an American President before, we realize that one trip is not going to solve differences that are very deep, that go back in some cases many years and in some cases centuries. But we also realize that a beginning has to be made. As a great philosopher once said, the beginning is often the most important part of the work. And the beginning has been made toward a different relation and a better relation between the nations in that area.

We have been proud to play a part in that beginning. The disengagement between Israel and Egypt, and later between Israel and Syria, on the part of Secretary of State Kissinger and others and that the United States played, is one that we can be proud of. But now as I go there, it will provide an opportunity to reaffirm support for the initiatives that have been undertaken to explore ways that we can have new and better relations between the

United States and each nation in the area, and also to explore ways in which those nations in the area may have better relations with each other and build toward the permanent and lasting and just and equitable peace that all of them, we know, want and, certainly, that we want.

As we go, above everything else, we will bring to all the people that we will see, most of whom we will not have a chance to meet personally—but we will bring them, we know, from the hearts of all Americans, whatever their partisan affiliation, the best wishes, the hopes for peace and for friendship, not only between our countries and theirs but among all countries in that area. And with that kind of backing, with that kind of message from the people of the United States, we believe this trip, like the other journeys we have taken, will contribute to that lasting peace to which we, as Americans, are so deeply dedicated.

Thank you.

NOTE: The President spoke at 8:37 a.m. on the South Lawn of the White House.

Following the President's remarks, Vice President Gerald R. Ford responded as follows:

Mr. President:

On behalf of everybody here this morning on this beautiful day in the Nation's Capital, let me express our appreciation for the great job you have done, and on behalf of 211 million Americans who, I think, join us in wishing you and Mrs. Nixon well, we will look forward to the successes which will, I think, materialize, building on what has been done in the past as we broaden the effort and broaden the accomplishments for peace.

We wish you well. Our prayers will be with you every day you are gone, and we look forward to a wonderful and successful trip.

Let us all say, on behalf of all Americans, God bless you.

171 Remarks on Arrival at Salzburg, Austria.

June 10, 1974

Chancellor Kreisky, Mr. Foreign Minister, all of our distinguished guests:

We are very grateful for your very warm words and for the welcome we have received here in Austria, which is world-famed for its hospitality. As you pointed out, we had the privilege of spending a day in Salzburg preparing for our first summit meeting in Moscow just 2 years ago. That journey not only created a new relationship and a new direction insofar as the two major powers, the United States and the Soviet Union, were concerned but it also contributed to a lessening of tension, as you have indicated, and, we believe, to peace for all nations in the world.

And now tomorrow, just 2 years later, we will be spending another day in Salzburg preparing for a trip to the Mideast. Every nation in the world has a stake in maintaining peace in the Mideast, and we trust that this journey, just as the one 2 years ago, will contribute not only to peace in that area but to peace generally for all nations in the world.

Mr. Chancellor, we want to express appreciation on behalf not only of the United States but for all nations for the part that Austria is playing in furnishing the largest contingent for the U.N. force which is preserving the area in the Golan Heights which has resulted from the disengagement talks between Syria and Israel.

And I, finally, want to say that tomorrow, I shall look forward to having the opportunity to meet with you again and

to meet with the Foreign Minister to get your views, not only on the problems of the Mideast but on the problems of Europe and on international problems generally. We found our talks very useful and very helpful 2 years ago, and I am sure that you can provide insight into these problems on this occasion as well.

And, in a sense, I think we can say that this great free and independent nation, Austria, now symbolizes a bridge between East and West, a bridge of peace.

NOTE: The President spoke at 10:34 p.m. at Salzburg Airport in response to the welcoming remarks of Austrian Chancellor Bruno Kreisky.

The Minister of Foreign Affairs was Rudolph Kirchschläger.

Chancellor Kreisky welcomed the President in German. His remarks were translated by an interpreter as follows:

Mr. President:

I would like to welcome you and Mrs. Nixon, as well as your party, on behalf of the Austrian Government on Austrian soil.

I welcome you in the city of Salzburg. When you were here last time, that was shortly before your trip to the Soviet Union, which promoted so successfully the lessening of tension throughout the world. This time, you have come to Salzburg before your journey to Cairo and to other countries in the Middle East, and we hope that you will be a pacemaker for peace in that part of the world.

It is very fortunate, as I also found recently in Moscow, that the world powers, the United States and the Soviet Union, are making such strenuous efforts for the maintenance of peace in the world, and in that endeavor, we wish you all the best luck.

So once again, welcome to Austria.

172 Statement About Signing an Appropriations Bill
Including Funds for Summer Jobs Programs
for Youth. *June 11, 1974*

THE Second Supplemental Appropriations Act for 1974, which I signed into law last Saturday, makes available funds for summer job opportunities for needy youth. Together with the \$91 million we have already obligated, the new appropriation under the Comprehensive Employment and Training Act brings total program funding for summer youth opportunities to \$397 million. These funds, together with the Administration supported adjustments for increases in the minimum wage law and for recreation and transportation assistance, provide the program level which was requested of Congress in my budget submission in February of this year. As a result of this appropriation, States and localities will be able to generate over 700,000 job opportunities this summer.

It is important to note that this summer, for the first time, these activities will be carried out under the direction of States and localities in their role as prime sponsors under the Comprehensive Employment and Training Act (CETA). This means that although this year we still have separately identified program funding for summer job opportunities, in succeeding years the States and localities will plan the summer program as part of their regular activity under CETA. This marks a major step forward in the direction of decentralization and decategorization which is so essential for effective social programs.

I urge all responsible elected officials to take the necessary steps as rapidly as possible to insure that their program plans

are in order so that all those who should benefit from these funds are able to do so.

In addition to the appropriation of these funds, the following programs to expand opportunities for youth are also underway:

FEDERAL SUMMER EMPLOYMENT
PROGRAM

The Federal Government will create 70,700 jobs in Federal agencies for disadvantaged youth. Administration of the program is the responsibility of the Civil Service Commission.

YOUTH CONSERVATION CORPS

Up to 10,000 summer jobs will be provided to youth for conservation work in Federal and State forests and parks. The work will include trail building, stream clearing, and timber trimming under the auspices of the Departments of Agriculture and Interior.

EMPLOYMENT SERVICE YOUTH
PLACEMENT

State employment service agencies estimate their youth placements at 210,000 for 1974.

NATIONAL ALLIANCE OF BUSINESSMEN
SUMMER HIRES

For 1974 the National Alliance of Businessmen has set a goal of developing

SUMMER JOBS PROGRAMS FOR YOUTH

Estimated Number of Jobs and Federal Funding, 1974

<i>Program</i>	<i>Summer jobs</i>	<i>1974 funds</i>
Department of Labor employment and training programs.....	¹ 709, 200	\$397, 000, 000
Federal summer employment program for youth.....	70, 700	62, 000, 000
Youth Conservation Corps.....	10, 000	10, 000, 000
Employment Service youth placements.....	210, 000	(²)
National Alliance of Businessmen.....	200, 000	(²)
Total estimated summer hires.....	1, 199, 900	469, 000, 000

¹ Projected figures based on assumption that local officials will replicate the programs operated the previous year.

² Costs of wages borne by employing establishments; promotion and placement costs not available.

200,000 summer jobs in private industry for disadvantaged youth. In 1973 the

organization pledged 175,000 summer jobs and achieved actual hires of 252,000.

NOTE: As enacted, the bill (H.R. 14013), approved June 8, 1974, is Public Law 93-305 (88 Stat. 195).

The White House also released, on June 11,

an announcement providing additional information about the act. The announcement is printed in the Weekly Compilation of Presidential Documents (vol. 10, p. 600).

173 Remarks on Arrival in Cairo, Egypt.

June 12, 1974

Mr. President, our very distinguished guests, and ladies and gentlemen:

Mr. President, we have been greatly touched by your generous remarks, and we have also been enormously moved by the reception we have received as we passed through the streets of Cairo today. You have spoken of the fact that we stand here at a time in history which could well prove to be not only a landmark but which could well be remembered centuries from now as one of those great turning points which affects mankind for the better.

It has been too long that our two nations have been through a period of misunderstanding and noncooperation, and today marks the day when, by your meeting with the President of the United States—the two Presidents of Egypt and the United States meeting together—we cement the foundations of a new relation-

ship, a new relationship between two great peoples, two great peoples who will dedicate themselves in the future to working together for great causes.

I speak first of the cause of progress for the people of Egypt and for our own people. As we traveled through the streets and saw hundreds of thousands of people greeting us—as you have said, from their hearts—it made us both realize what we owe to them and what we owe to future generations. And so, we want to work together for progress, economic progress for the people of Egypt, for all peoples in this area and in the world.

And the United States welcomes the opportunity to cooperate with you and your government in your programs for economic progress to which you are devoting and dedicating so much of your very great energies today.

And also, as we saw those hundreds of

thousands of people, we thought of another great goal toward which we shall and will work together, that is, the goal of peace. We have already made progress toward that goal. Certain roadblocks along the long and difficult road toward permanent peace have been removed. The disengagement on the Egyptian-Israeli front and then later on the Syrian-Israeli front laid the foundation for further progress in the future.

Let us today recognize that as we meet then our goals are twofold: economic progress, progress in all fields for the people of your country, the people of this area; and peace, peace which is permanent and just and equitable, because without peace, there can be no progress and without progress and hope there can be no peace.

And, Mr. President, finally, I should like in the presence of your people to pay a tribute to you.

The historians years later will perhaps see all of these great events in perspective, but one fact stands out today: that without the wisdom, without the vision, without the courage, without the statesmanship of President Sadat of Egypt, we would not have made the progress toward peace that we have made, and the world owes him a great debt for what he has done.

And it is for this reason, combined with the reason that my wife and I have such pleasant memories of our previous visit to Egypt in 1963, where we met so many of your people—but it is for this reason that I have looked forward to this moment to meeting you, to talking to you personally and officially about the problems that we face in the future, in which our two great peoples now at last will be working together.

Progress at home and peace, not only in this area but for all peoples in the world, these are our goals, and together we are privileged to have the opportunity to work for such great goals.

NOTE: The President spoke at approximately 4:25 p.m. at Qubba Palace, following a motorcade from Cairo International Airport. He spoke in response to the welcoming remarks of President Anwar el-Sadat.

President Sadat spoke in Arabic. His remarks were translated by an interpreter as follows:

It is with great pleasure that we see among us President Nixon and Mrs. Nixon. It is an added pleasure that President Nixon has accepted my invitation to visit Egypt at this particular and crucial phase which the Middle East is going through.

Coming at this very junction when the Middle East crisis is geared towards a peaceful, honorable, and just settlement, President Nixon's official visit acquires a major significance. The role of the United States under the leadership of President Nixon is vital to promote peace and tranquillity in the area.

It is a great challenge, but I am convinced that with good will and determination, statesmen of the stature of President Nixon are apt to meet it. The challenge is whether to substitute this precarious situation of cease-fire by a just and durable peace so that our area would be ushered into an era of normalcy.

It is with vision, forwardness, and collective human efforts that the Middle East will be afforded, at long last, the proper opportunity to contribute positively to the various endeavors to build and cement the global strategy for peace and progress.

I am not only convinced but also confident that the visit of President Nixon will be a milestone in the shaping and evolution of American-Egyptian relations on a sound and solid basis and in such a manner that I hope would compensate for the long years of strain and lack of understanding.

As you will soon witness, Mr. President, the Egyptian people, who have given the world its first civilization, will express to you and, through you, to the American people, their sentiments and friendship. The recent efforts of

the United States, exerted under your leadership and wise guidance, have led, in a very concrete way, to the consolidation of the cease-fire decisions of the Security Council, both on the Syrian and Egyptian fronts. And despite the fact that this is but one step, it is, however, a right one and in the right direction, and without it, no progress could have been achieved on the long road to peace.

As you have mentioned, Mr. President, on many occasions, starting by your inaugural statement, you have dedicated this era for

peace through negotiations rather than confrontation.

I am fully aware that you share with me the belief that this is a unique moment and a major turning point which should not be lost, but rather, grasped with vigilance, persistence, and dedication to build a durable and honorable peace.

On my behalf and on behalf of the Egyptian people, and in my own name, I welcome you, Mr. President, and Mrs. Nixon.

174 Toasts of the President and President Anwar el-Sadat of Egypt at a State Dinner in Cairo. *June 12, 1974*

Mr. President, Mrs. Sadat, and all of the very distinguished guests attending this magnificent banquet here in Cairo:

Mr. President, it has been a very great honor and a privilege for Mrs. Nixon and me to travel to many countries over the past 27 years. As a matter of fact, this is the 83d nation that I have had the privilege of visiting. There have been many memorable days over those years in those countries. But I can say tonight that I can think of no day that will stay more in our memory, that will bring back such pleasant memories of those things that occurred than this historic day that we have spent with you here in Cairo. I say this for a number of reasons.

First, because of the heartwarming reception we received—and we know we received it for the American people that we represented—as we drove from the airport into Cairo. We have seen big crowds before, but as has often been said, you can get a crowd out, but you cannot make that crowd smile unless they want to smile. And we felt that we could sense the heart of Egypt on this occasion and on this day. And through their hearts they reached ours, and we believe they reached

the hearts of the American people, because we in America want to be friends of this nation and its people, and that traditional Egyptian-American friendship which goes back over so many years—which has been disturbed at times over the past generation—that friendship has now been restored.

This day's events signify and symbolize that restoration, and also, this day's events, we trust, will initiate a new era in our relations in which the Egyptian people, the American people will be able to work together, dedicating their energies to solving the problems of peace and thereby developing the progress that both peoples want in both of our countries as well as in other countries in the world.

Another reason we will remember this day is, of course, this magnificent banquet tonight, and we only wish that time would permit more of an opportunity for us to talk to each and every one of the very distinguished guests who are here, those from your country, the distinguished ambassadors from most of the countries of the world, and of course, those guests from the United States you have been so kind to have.

A third reason that this day will be a memorable one for me has been the opportunity that it has provided to know for the first time through personal discussion—except for a brief telephone conversation a few months ago at Aswan—to know the President of this nation, a man who in a very short space of time has earned the respect not only of his friends and his nation's friends but those who are his adversaries—or were his adversaries—and certainly the respect of all observers in the world.

As we look at this man and what he has done, I would analyze leaders of the world that I have met in two different categories. It is, of course, sometimes rather dangerous to oversimplify, but I think it can be fairly said that sometimes a leader concentrates almost exclusively on the problems of his own country at the expense of concentration that he might well give to problems of the nations around him or of the world that might affect his country.

There are other leaders who have gained their reputations through exactly the opposite tactic; they have failed to pay as much attention as they might to the problems of their own people because of their desire to become involved in adventurous activities and policies with regard to their neighbors and other countries in the world.

But what marks the difference between a leader who is parochial on the one hand or who is too much concerned about the problems of other people than his own on the other, is one who recognizes that the two problems are inseparable, and so it is with this nation.

Egypt, because of its size, because of its location, because of the competence and

quality and ability of its people, because of its great historical heritage, is destined to play a great role in this area of the world and in the whole world, as it has played such a role in the centuries past.

And consequently, whoever leads this people and this nation is one who should concentrate his efforts on building a better life for the people of his nation, and President Sadat has done that. He has dedicated his Presidency to accomplishing that goal, but he has also recognized that this country, for the reasons that I have mentioned, must also play a role, an activist role, a positive role on the world scene, and particularly in this area of the world which has caused so much suffering and so much potential danger over these past 30 to 40 years.

And so, the opportunity to meet with President Sadat, to discuss not only the new bilateral initiatives we are going to undertake for better relations between our own countries, initiatives that will help us both, to discuss with him also the problems of this area and to discuss with him international policies generally was, for me, a very valuable and a very constructive experience.

And so, you can see why I would say that of all the many days that it has been my privilege to spend abroad among great people in many fine capitals, this day will be remembered, certainly as much or even more than almost any day I can remember.

The President has spoken of some of the difficult problems and the complex ones that still exist in this area, and I would be less than candid if I were not to say, standing here in his presence, that I do not come, just as Dr. Kissinger did not come earlier in his conversations, with

ready-made solutions for these complex problems, some of which go back over many years, some of which are going to require a great deal of dedicated diplomacy on the part of all parties concerned in order to find a just and equitable solution.

But I do say to you, Mr. President, and I do say to this company, I say to every nation represented here, because every nation in the world has a stake in the peace in the Mideast for the reasons that I mentioned this morning, I say the United States will play a positive role. We have no designs on any nation in this area. We have no desires to dominate any part of this area. Our only interest is, first, peace in the area and, second, the right of every nation and every people to achieve its own goals in its own ways by its own choosing, free of outside domination or outside interference.

To accomplish this goal will take not simply the diplomacy, brilliant though it was, that has brought us as far as we have come, the first two great steps toward reaching a permanent and just peace.

We have started down a long road, but the road stretches on and we have a long way to go. And I can only say that we in the United States, our Government, will dedicate its best efforts to going down that road to achieve the goals of the peoples of this area, the nations of this area, goals of peace and progress and prosperity, we would trust, in the end for all concerned.

On such an evening as this, standing in such a place as this, one cannot help but feel the sense that centuries of civilization look down upon us, and as we feel that sense of history in this place which has perhaps as much or more history behind it than any in the world, we feel

the obligation that we have, each one of us here, to future generations.

This has been called, this area, the cradle of civilization, and now we have the challenge, the opportunity, the privilege of seeing that the civilization which we have inherited from the great giants of the past survives and not only survives but is passed on to future generations, stronger, more effective, certainly, we would trust, more helpful to all of the people who live in this part of the world.

I can only say that I am sure I speak for all those here, who are the guests of the President and Mrs. Sadat, that we are privileged to be here on such a memorable day. We trust that this is a day truly of a new beginning for all the nations in this area, a new and a good beginning, and one that will benefit thereby all the nations of the world. And I am sure that all of you would want to join me in the toast that I will propose, not only to the new Egyptian-American relationship, a relationship of friendship that should never have been broken in the past—and we dedicate ourselves to seeing that it will never be broken in the future—and second, to a man who has demonstrated that he is not only a great leader of his own country but that he is one of those rare leaders who also has the vision and wisdom to contribute to peace for all people in all countries as well.

And in proposing a toast to him, I would not forget Mrs. Sadat. She, like my wife, stands by her husband's side, and she is known throughout her country for her dedication to him and for her service to her country, whether it is in war or in peace.

So, ladies and gentlemen, if you would rise and raise your glasses to the President and Mrs. Sadat.

NOTE: The President spoke at approximately 11:15 p.m. in the gardens of the Qubba Palace, in response to a toast proposed by President Sadat.

President Sadat spoke in Arabic. His remarks were translated by an interpreter as follows:

President Nixon, Mrs. Nixon, distinguished guests:

It is a pleasure indeed to welcome you in our midst as the first American President to pay an official visit to Egypt. Your visit marks the opening of a new phase which will go down in history as one of your major achievements.

Your choice to visit Egypt on your tour has a manifold political significance. While it indicates your eagerness to turn a new page in the American-Egyptian relations, it, at the same time, manifests the change of emphasis in yours and in the American strategy.

For my part, and on behalf of the Egyptian people, I would like to reciprocate and assure you and the American people that we welcome this change with all its political and psychological significance.

I hope you agree with me, Mr. President, that the Middle East, for the first time in recent history, is facing a turning point, a turning point in the sense that the political climate in our region has never been more opportune and paved for bringing about a durable peace. This, however, could not be achieved unless all our efforts are exerted and mobilized towards this end.

This area was, and still is, of major strategic importance and, as such, should have been and should be an area where stability and normalcy prevail. The political and strategic sensitivity of this region is of such a nature that it could at any time be the spark for a global conflict. But in spite of all this, for one reason or another, wars continued and tension prevailed in this region for more than 25 years.

It is not for me to recapitulate on this occasion the history of this area and the causes of its troubles. Suffice it to mention that the real cause was the aggression committed against a whole nation, the Palestinian nation. Since then, this nation has been deprived, by force of arms, of its homeland, its property, and all the prerequisites of life. This nation is

now either living in tents or expelled and living in the diaspora. The appalling conditions under which a whole new generation of Palestinians were born and brought up do not attest to anything but the failure of our modern civilization with its ingenious means of advancement and its established rules of law to tackle the roots of this problem in a manner acceptable to the parties concerned.

Mr. President, let me be candid with you lest in the future there would be a misunderstanding or false reading of the turn of events in our region. The political solution and the respect of the national aspirations of the Palestinians are the crux of the whole problem.

It is an oversimplification, indeed, to profess that it is not a complex problem. However, there is no other solution and no other road for a durable peace without a political solution to the Palestinian problem. This does not mean, as the Israelis claim in order to justify their expansionist designs, that this would lead to the liquidation of Israel. History attests to the fact that Jews have lived under one roof with the Palestinian Christians and Moslems alike. Moreover, history shows beyond doubt that Jews lived for centuries without any discrimination whatsoever under the Arab rule, be that in the Middle East, Africa, or Europe.

I have purposely started with the Palestinian problem because its solution is indispensable for the attainment of a just and durable peace.

The other outstanding problems are not of that magnitude. Egypt has been a sovereign state within its present international boundaries since time immemorial. The Egyptian people have always repulsed all invaders. All kinds of aggressions and attempts to conquer Egyptian territory by force were completely foiled. They were always met by the determination of the Egyptian people to defend the sanctity of their territory. Thus, it is inevitable for a country like Egypt, with a people of such potentialities and capabilities, to regain its territory either by peaceful means or through might.

You may recall, Mr. President, that we have deployed all our efforts within and outside the United Nations since the war of June '67 for achieving a peaceful solution, but to no avail. Although world public opinion was aware of the facts and statesmen from time to time

admitted the inherent danger in letting the state of "no war, no peace" prevail, Israel continued for one reason or another to refuse to listen to the voice of reason and logic. It, rather, tried to shield itself behind the illusion and fallacy of its supremacy, failing to realize that occupation by force would sooner or later be repulsed, that this area, like any other area of the world, should be subject to the rule of law and that its people should live in peace under the accepted norms of the family of nations.

While history is full of lessons that occupation by force will never hold and is always doomed, the Israeli leaders failed to grasp that vital and simple lesson.

Then came the 6th of October with the Arab armies and people ready to exercise their sacred right and duty to liberate their land. The course of events of that period both during and after the military operations should be the proper signal for all of us to work together to achieve a just and honorable peace.

One of the major changes resulting from the 6th of October has been the change that occurred in the American attitude, together with the various steps taken since that historical day. The American involvement in a positive way is a clearcut political achievement of the 6th of October. The new chapter which we are opening with your country, Mr. President, is the living testimony of the fact that it is in the vital interest of the United States to have good

relations with all the countries of this sensitive and strategic area.

For our part, let me say that I am satisfied with the rapid development in our relations, and I hope that it will be bolstered in the future for the sake of peace and tranquillity. Let us work to promote friendship between our two peoples, to agree on the essentials of a permanent peace which could provide for everybody the right to live in a dignified, human, and proud way.

We in Egypt are dedicated, together with our Arab brothers, to work for peace and to mobilize our efforts and potentialities for construction rather than destruction, for advancement rather than regression, for progress rather than stagnation.

Let us work, Mr. President, for an era where we can go into history as people with creativity and imagination, and let us suppress together the forces of evil.

With this I propose that we drink a toast in honor of President Nixon and Mrs. Nixon, their health and prosperity, and for the friendly American people, their well-being.

Earlier in the evening, President Sadat had presented Egyptian decorations to President and Mrs. Nixon and Secretary of State Henry A. Kissinger at Qubba Palace. A fact sheet on the awards was released by the White House in Cairo on the same day.

175 Exchange With Reporters During a Train Trip From Cairo to Alexandria. *June 13, 1974*

REPORTER. How do you feel the tour has gone, sir?

THE PRESIDENT. President Sadat and I have been really overwhelmed by not only the size of the crowd but, even more important, their enthusiasm. I, on the one hand, have been impressed by the enormous personal respect and trust that President Sadat has among his own people, because they are not here just to see me, they are here also to pay their respects to him.

And the other thing that, of course, is impressive is the fact that these crowds show a very deep feeling of affection and friendship for America. The fact that this could exist despite almost 25 years of misunderstanding, and off-and-on relationship, in the last 7 years very bitter misunderstanding, the fact that this gracious relationship still exists here in Egypt shows that Egyptian-American friendship is a natural reaction among Egyptians, and I am sure it is among Americans, and there-

fore, we are building on a foundation that will last because it is built on natural and not unnatural interests.

I don't know whether the President may have something to add to that or not.

PRESIDENT SADAT. Well, it is a great occasion for us to have President Nixon among us and to show him our true feelings towards the American people and towards himself, also. President Nixon by all measures has performed a great act in our most dangerous area here for the first time since 26 years to the millions that you have seen hailing him, and you have seen what they wrote on the balconies and so, "Nixon's America is a peace loving nation." So they want to show you and tell the American people that the most natural thing for us is to be friends; the unnatural is that there may be any conflict among us.

Q. Mr. President, your being here perhaps, too, might raise some very high expectations. Do you feel that your being here might raise expectations that cannot be reached?

THE PRESIDENT. President Sadat and I have had very extensive conversations, first, about the needs of Egypt and, second, about how we can meet those needs in an effective way without overpromising and without disappointing people as a result of expectations that have been raised. It is not a case of coming into a nation, for example, led by unsophisticated men who simply think that the visit of an American President means that instantly the problems will be solved.

President Sadat, for example, wanted me to see what he called the slum areas of Cairo. He wanted me to see the Delta, which is very rich, but many of the peasants are poor. It was interesting to note that the people in both places, incidentally,

were just as friendly as they were in downtown Cairo around the Palace. But we have been very careful in our talks and in our public statements to speak of what can be done.

And I would say that I look for an era of cooperation, not just government-to-government, but an era of cooperation in which American private enterprise will be welcomed in Egypt and will bring not only capital but technology to Egypt.

So, in a word, naturally the unsophisticated individual may expect that instantly life will be better. That will not be the case. The foundation has been laid for steady economic growth, and the President's programs which I have examined in some detail—for one, reconstruction, two, industrialization, three, in the field of agriculture, and four, and most important, education—in all areas, these programs will build a solid base where Egypt will go no place but up, and it will not be plagued by what it has had for the past 25 years, intermittent wars, which every time they began to move forward they were pushed back. That is my view.

Q. President Sadat, what is the principal contribution that the United States can make for continuing peace in the Middle East?

PRESIDENT SADAT. It is to keep the momentum of the whole thing going on, and I must say, you have read what my people wrote. They wrote, "We Trust Nixon." Since the 6th of October and since the change that took place in the American policy, peace is now available in the area. And President Nixon never gave a word and didn't fulfill it; he has fulfilled every word he gave. So if this momentum continues, I think we can achieve peace.

Q. What new pledges would you like, sir?

THE PRESIDENT. I particularly enjoyed the opportunity to see not only the officials, and for me to know people like President Sadat who will provide great leadership for this part of the world, not only his own country, but also to get a sense and feeling about the people themselves, what their problems are, what their hopes are, what their feelings are toward America, and how we can play a part in helping them to a better way of life on a cooperative basis.

Q. Do you think we ought to have a railroad car like this in the United States, Mr. President?

THE PRESIDENT. Well, I must say that I like the car, but what I like better is the roadbed, because as I told President Sadat, the roadbed between Cairo and Alexandria is infinitely better than the roadbed between Washington and New York. As we know, that is almost an obsolete roadbed, and when I go back, I am going to tell some of our people that railroads, instead of just concentrating on building fancy new air-conditioned cars, they ought to pick up the roadbed. This is a smooth ride all the way.

I think too, I would only add to what President Sadat has said, that he recognizes—as a mature leader of this part of the world—he recognizes and feels very deeply about the goals he wants to achieve, and therefore, nobody can condemn him as being one who is not dedicated to the goals that people in the surrounding nations want to achieve.

On the other hand, he is a man who is aware of the intricacies of international diplomacy and realizes, as we do, that where you have a number of nations with

different interests and different viewpoints and different approaches, that rather than a huge public forum as being the place to put it all out on the table and solve it at once and immediately and then have it blowup, rather than having that approach, what is needed is the step-by-step approach, not because we want to go slow, but because we want to get there.

And so, nation by nation, first with Egypt, then with Syria, taking up each problem as it is timely to take it up in a quiet, confidential way—like President Sadat and I have talked to each other in complete confidence—and we find that we have a general agreement on a great number of things, but particularly we understand the necessity in the field of diplomacy to handle each one of these problems in a case-by-case, very considerate basis, and not in a melodramatic grandstand play where everybody cheers and then all of a sudden it falls down.

I don't know whether the President agrees or not.

Q. Mr. President, are you suggesting, sir, that perhaps there should be more bilateral talks before a Geneva conference?

THE PRESIDENT. We do not want in our first stop to indicate that we are going to say what ought to happen, because these are decisions that must be made by each of the leaders that we talk to. However, I would say that before ever going to a summit conference where a number of leaders representing different viewpoints sit down around a table, it is essential that the way be prepared by bilateral discussions in which you iron out those differences which can be ironed out before you get to the summit. That is President Sadat's recommendation, too.

PRESIDENT SADAT. We have discussed in our meeting, and we have agreed upon this form.

Q. Who should those bilateral discussions be between?

PRESIDENT SADAT. Between President Nixon and me and then between our two Foreign Ministers.

Q. But you are not suggesting bilateral discussions with other countries?

PRESIDENT SADAT. We shall be doing this. We shall be doing this with our Arab colleagues, also bilateral, we shall be doing it with the Soviet Union, also bilateral,

and when the time comes, we are proposing a small Arab summit for discussing the next step.

Q. This would be before Geneva, sir?

PRESIDENT SADAT. I hope this would be before Geneva.

Q. You are not suggesting bilateral discussions with Israel?

PRESIDENT SADAT. No, not at all. Not yet.

REPORTER. Thank you, gentlemen.

NOTE: The exchange of remarks took place shortly before the train's arrival in Alexandria at 2:30 p.m.

176 Message to the Congress Proposing Establishment of New National Wilderness Areas. *June 13, 1974*

To the Congress of the United States:

There is no greater challenge facing America today than the discovery and development of new energy resources.

As we move toward national self-sufficiency in energy, however, we must be diligent in protecting and preserving our natural heritage of unspoiled wilderness areas and the ecosystems which they support.

With this goal in mind, and pursuant to the Wilderness Act of 1964, I am today proposing 15 new additions to our National Wilderness Preservation System. These additions comprise more than 6 million acres and would nearly double existing wilderness acreage.

I would also like to take this opportunity to urge once again that Congress enact the eastern wilderness legislation I recently submitted, now embodied in legislation labeled S. 2487 and H.R. 10469. On May 31, the Senate passed a bill which would designate certain wilder-

ness areas in the Eastern United States. The Senate bill, I believe, is inadequate. I urge the House to give early and favorable consideration to wilderness legislation incorporating the Administration proposal, and I urge the Congress to adopt it as the most balanced approach to studying and designating wilderness areas in the Eastern United States.

Briefly described, the additions I am proposing today are:

(1) Crater Lake National Park, Oregon—122,400 acres. Crater Lake is the deepest lake in the country and, in its ancient caldera setting, one of the most beautiful. The lake is surrounded by rugged and varied terrain, most of which is recommended for wilderness designation.

(2) Havasu National Wildlife Refuge, California—2,500 acres of Sonoran desert land. Located in one of the hottest and driest areas of the country—rainfall averages only 4.73 inches per year—this refuge

is the home of such rare or endangered species as the Yuma clapper rail, the Gila monster, and the peregrine falcon.

(3) Semidi National Wildlife Refuge, Alaska—256,000 acres comprising nine islands and surrounding submerged lands in the western Gulf of Alaska. The refuge's fragile estaurine system is a breeding ground for vast colonies of sea birds and other forms of wildlife.

(4) Hawaiian Islands National Wildlife Refuge, Hawaii—1,742 acres on various islets and reefs distributed among some 800 miles of ocean between the main Hawaiian Islands and Midway Island. Among the rare forms of wildlife found within this refuge are the Laysan teal, found only on Laysan Island; the Hawaiian monk seal; and the green sea turtle.

(5) Crab Orchard National Wildlife Refuge, Illinois—4,050 acres. This refuge is a haven for such migratory waterfowl as Canada geese, snow and blue geese, and mallard ducks.

(6) Zion National Park, Utah—120,620 acres. This park is a superlative example of the effect of erosion on an uplifted plateau. The great bulk of its towering peaks and pinnacles, arches, and natural bridges are recommended for wilderness designation.

(7) Katmai National Monument, Alaska—2,603,547 acres. Situated near the base of the Alaskan Peninsula, this massive area comprises three entirely different ecosystems: a coastal area dotted with fjord-like bays; a mountainous area atop ancient volcanic basement rocks; and a plain crisscrossed by lakes of glacial origin.

(8) Rice Lake and Mille Lacs National Wildlife Refuges, Minnesota—

1,407 acres. Consisting largely of bog, forest, and lakes, Rice Lake National Wildlife Refuge supports a variety of birds, notably the ring-necked duck. Both of the islands which constitute the small, nearby Mille Lacs National Wildlife Refuge are also included in this recommendation.

(9) Glacier National Park, Montana—927,550 acres. Located in the Rocky Mountains of Montana, this park—nearly all of which is suitable for wilderness designation—contains some 50 small glaciers and 200 lakes.

(10) Red Rock Lakes National Wildlife Refuge, Montana—32,350 acres. Although it harbors a multitude of ducks, as well as such mammals as moose, elk, deer, and antelope, the primary purpose of this refuge is to protect the once-rare trumpeter swan, largest of all American waterfowl.

(11) Olympic National Park, Washington—862,139 acres. The home of more than 50 wildlife species, this landscape of rain forests and seashore lies in the wettest winter climate in the lower 49 States.

(12) Tamarac National Wildlife Refuge, Minnesota—2,138 acres. One of the most important sanctuaries along the Mississippi Flyway, this area hosts thousands of pairs of ducks during the annual nesting season.

(13) Rocky Mountain National Park, Colorado—239,835 acres characterized by massive peaks, Alpine lakes, and mountain forests. Among the wildlife found here are wapiti, mule deer, and bighorn sheep.

(14) Missisquoi National Wildlife Refuge, Vermont—620 acres. Located less than a mile from the Canadian border, this refuge supports primarily waterfowl but also a population of 100 whitetail

deer, a species which was all but non-existent in this area 30 years ago.

(15) Unimak Island (Aleutian Islands National Wildlife Refuge), Alaska—973,000 acres. A rich diversity of wildlife, including the Alaskan brown bear and the once-rare sea otter, inhabit this island. Its scenic coastline, rugged mountains, and volcanic remnants make the island ideal for the study of interrelated marine and terrestrial ecosystems.

In addition, two proposals which have been previously submitted—Pinnacles National Monument and Sequoia-Kings Canyon National Parks, all in California—have been augmented by sufficient acreage to warrant resubmission to the Congress. The enlargements, which are attributable to revised management philosophy and plans and the recent acquisition of private inholdings, amount to 5,970 acres in the case of Pinnacles and 68,800 acres in the case of Sequoia-Kings Canyon.

Three other areas—previously proposed—Cabeza Prieta Game Range, Arizona; Desert National Wildlife Range, Nevada; and Glacier Bay National Monument, Alaska—contain surface lands suitable for wilderness designation. However, because two of these areas are open to mining, and all three may contain minerals vital to the national interest and have not been subjected to adequate

mineral surveys, I am recommending that action on these proposals be deferred pending the completion of such surveys.

After a review of roadless areas of 5,000 acres or more and roadless islands, the Secretary of the Interior has concluded that seven areas are not suitable for preservation as part of the National Wilderness Preservation System. These are: Savannah National Wildlife Refuge, Georgia; Little Pend Oreille National Wildlife Refuge and Turnbull National Wildlife Refuge, Washington; Bowdoin National Wildlife Refuge and the National Bison Range, Montana; National Elk Refuge, Wyoming; and Horicon National Wildlife Refuge, Wisconsin.

In addition to this message, I am transmitting herewith to the Congress letters and reports from the Secretary of the Interior regarding these wilderness proposals. I concur with the recommendation of the Secretary in each case, and I urge the Congress to give early and favorable consideration to all of these proposals.

RICHARD NIXON

The White House,

June 13, 1974.

NOTE: On the same day, the White House released a fact sheet and the transcript of a news briefing by Secretary of the Interior Rogers C. B. Morton on the National Wilderness Preservation System and the proposed wilderness areas.

177 Toasts of the President and President Sadat at a Dinner in Alexandria Honoring the President of Egypt.

June 13, 1974

President Sadat, Mrs. Sadat, and all of our distinguished guests:

Mr. President, this dinner tonight affords an opportunity for us, in a very

small way, to indicate our very grateful appreciation to you for the hospitality that you and your people have shown to us on the occasion of our visit to Egypt.

We thought yesterday, after the magnificent reception in Cairo, that it would be impossible to see more people in one day again in our lives, but I remember you told me, "Wait until we get to Alexandria." And you were right, because on the journey that we took by train through the rich delta country and then through the streets of Alexandria, going clear out by the sea as well as through the downtown area, we again had the privilege, as we did yesterday, of seeing literally millions of people who were there to greet us and to welcome us.

And there is an old saying that you can turn people out, but you can't turn them on. They will only be turned on if they want to be. And we felt, as you said to us so often, that there was no question about the people that we saw yesterday and today—they were from their hearts giving us a warm welcome—and I can assure you, Mr. President, they touched our hearts and, I am sure, the hearts of millions of Americans who saw that welcome on television, with what they did.

Let me say, too, that we are grateful that on this visit, brief though it is, that you, in arranging our itinerary, saw to it that we were not only in Cairo, the capital of the nation, but that we should see another part of the country as well.

We in Washington often say as we think of our Nation's Capital, of which we are very proud because it is a beautiful city, that Washington is not all of America and that one must travel to other cities as well. And you gave us a double pleasure today because we saw the countryside, the farmers, the peasants tilling the rich lands with three crops a year growing there, some with the equipment that goes back many centuries and others with the

most modern equipment. And we saw, also, one of the great cities of the world, Alexandria, which we would otherwise not have seen had you not planned our schedule in such a way that we could extend it to include other parts of Egypt than just the capital.

And here in Alexandria, I would like to add that we feel certainly in the presence of—and I have no other, better word to describe it than this—in the presence of the whole heritage of learning which our civilization has benefited from. We think of the great library that was here. We think of, for example, those who landed on the Moon and that the abilities that developed those high techniques were based on the great scholars of the past, many of whom centered here in Alexandria—the mathematicians, the astronomers, and the like. And as we think of that heritage of learning which Alexandria signifies to the whole world today, it reminds us of how much both Egypt and America will gain from this new relationship which we have established.

I say a new relationship—it is the re-establishment of a relationship that was always there, but one which we now have formalized to an extent, as our statement tomorrow will indicate, and one on which we will build, because there are perhaps some things that we have learned in the new world in America that you will find useful in the development of your country. But you can be very sure that we who have learned so much from the civilization which is represented in this land, that we also will profit from this mutual exchange of ideas and that the wisdom that is here, the wisdom not only of the past but the wisdom which is now being developed to meet the challenge of the

future, will benefit not only you but benefit us as we learn to work together in developing and meeting the policies which will lead to a peaceful and a prosperous world for all of us.

So finally, Mr. President, I want you to know that as I announced tonight to our guests with very great pleasure the fact that you have accepted an invitation to visit the United States on a State visit and that Mrs. Sadat will accompany you, that that will occur before the end of this year, that it is going to be my privilege to give you an itinerary also where you will see not only Washington but, we trust, other parts of the country that you have not seen before. And in that connection, we will not be able, of course, to match certainly what we have seen in the way of the antiquities of the past that we have here, but I can assure you that we will do our best to demonstrate to you, as you and your people have demonstrated to us, that the American people in their hearts have nothing but the greatest affection and the highest hopes for our friends in Egypt.

We welcome this opportunity to work together again as friends, and that friendship that we have had the privilege of sealing after Dr. Kissinger and his colleagues on his side and your representatives on your side laid the foundation, that friendship is one that we will treasure and, we trust, pass on to future generations to enjoy for years to come.

So, ladies and gentlemen, all of us, I think, would want to join, including our American friends particularly and our Egyptian guests as well, in a toast to the President in the sense that he has been such a great host for us.

And also, shall we toast him and Mrs. Sadat a little in advance, wishing him what he will have, a very fine and warm

welcome in the United States of America when he returns this visit later this year.

To President Sadat.

NOTE: The President spoke at 10:48 p.m. in Ras El-Teen Palace.

President Sadat responded to the President's toast in Arabic. His remarks were translated by an interpreter as follows:

My friends, President Nixon, Mrs. Nixon, their guests:

It was yesterday that you arrived in our country and took a historic step in American-Egyptian relations. After our talks and after we all listened to your memorable statement in Cairo, you will perhaps agree with me that the most important outcome of the visit is the establishment of American-Egyptian relations on a clear and sound basis which finds its fruit in a shared conviction, and then with determination that it is in the interest of both our countries and our two peoples not to allow the reoccurrence of what had strained this relationship in the past and that we work together for an inspiring future corresponding with the deepest sense of the essentials of peace for our region and beyond it.

Mr. President, you spoke about me and the Egyptian people, whom I have the honor to represent, in a manner that made me feel the gravity of the responsibility that I shoulder on behalf of that people and of the Arab nation, for these are responsibilities in need of numerous and varied energies that are beyond the reach of one person.

What really matters is my belief, which transcends my other beliefs, that the paramountcy of building for peace and of working without hesitation until all peoples of the area are afforded the safety and the political climate necessary for the area and its peoples in order to resume their former standing so that all could contribute in solidarity in the setting up of a modern civilization.

When I referred to your attributes, I did this on purpose in order to emphasize what I have already mentioned to you concerning my admiration for your courage in taking the initiative in making daring and decisive decisions on all levels on the international plane since you assumed the leadership of your country.

I am quite confident, Mr. President, that

your vast experience and your universally acknowledged reputation as a statesman who dedicated his energy to knock hard on the doors that have been shut on intricate political problems and opened through your wisdom and your ability to move at the proper time without hesitation, this being on record, I do not hesitate to state that you and your people will spare no effort in effecting what is right and establishing a just and durable peace in this region as well.

I wanted to express to you at this stage, before the end of your historic visit to Egypt, my gratification and that of my people. Yet, however hard I try to find the suitable words for that, they also thought of what you have personally witnessed and felt since you set foot on our soil and while you were en route from Cairo to Alexandria, our second capital.

We are now in this historic city which was the stage for many historic battles, among which were those of Abukir between the British and the French and that of El-Alamein on the outskirts of Alexandria.

Parallel with all that, it has been a source of continuing culture and science, thus deservedly it was the center and a lighthouse for our well-known civilization. In this great city, with its historic values, its unique strategic position, and direct contact with all countries of the world without exception, you were received by the people of Alexandria as you were received on the way here, too, and in Cairo by their fellow

citizens who express to you and, through you, to the American people their feelings of friendship and their belief in the idealistic value of building for peace which conforms with what has been known of Egypt even before its recent history and its creative civilizations which were an endowment to the peoples of the world.

As I mentioned before, the 6th of October was the key to all that occurred. The unhesitating attitude of your country under your leadership and through the enormous efforts exerted by your Secretary of State is to be considered the first step on the road to peace and to a warm and sincere relationship between our two peoples.

For all that, Mr. President, let me say that nothing exceeds my delight at your visit except my gratification that you and Mrs. Nixon were able to come. Related to this is my gratification at your invitation for me and Mrs. Sadat to visit your great country to meet directly with your people and your officials.

Until we meet again, I ask you to take with you to the American people our appreciation and our warm and friendly feelings as well as recollections which I sincerely hope will be renewed when next we meet in the near future.

Allow me to invite you all, dear friends, to drink a toast to the friendship between the American people and the Egyptian people, as well as a toast in honor of the President of the United States.

President Nixon and Mrs. Nixon.

178 Remarks on Signing the "Principles of Relations and Cooperation Between Egypt and the United States."

June 14, 1974

Mr. President and ladies and gentlemen:

Mr. President, I first want to endorse very enthusiastically your very generous compliment to our Secretary of State for the role he has played, along with members of the U.S. team, in working out the various problems to which you have referred.

And on my part, may I pay my respects

to Foreign Secretary Fahmy¹ for the role that he has played, and members of your team, in working out many of the details and also many of the hard, substantive issues that have confronted us.

We are both fortunate, I believe, in the

¹ Ismail Fahmy was Minister of Foreign Affairs of the Arab Republic of Egypt.

support that we have had, and the talks that have gone forward have been ones that have laid the foundation for not only a continuation of a direct contact between you, President Sadat, and me, through channels that we have established but also direct contacts at the foreign minister level and at all levels of government to put meaning and also substance into the papers that we sign, the speeches that we may make, the declarations that may be forthcoming.

Also, on this occasion, before leaving Cairo, could I express again our grateful appreciation on behalf of not only Mrs. Nixon and myself but all of ours who are in the American party, for the overwhelming hospitality that you have extended to us on this visit. We are most grateful, grateful for that hospitality, and we shall always remember it. And we look forward to the opportunity later this year to have Mrs. Sadat, who stands so strongly and loyally and effectively by your side, as well as you, Mr. President, visit the United States again and get to know our country and our people better, not only at the official level but, as I have had the opportunity, across the Nation among all people from all walks of life.

We have today signed a statement which has as its title, "Principles of Relations and Cooperation Between Egypt and the United States."

I think, Mr. President, as I sign this statement, as you must think, of the many statements and treaties and executive agreements and others that I have signed since I have been in this office. Some have meant a great deal more than others, but there is one important rule which governs statements or agreements or treaties or whatever documents are signed by heads

of government, and that is this: that the statement, the treaty, the agreement, is only as good as the will and the determination of the parties concerned to keep that agreement.

Now, what we have established in this visit, brief though it is: first, that that will and determination to keep the agreement and not to be satisfied just with it, but to build on it. We have certainly established that that will and determination exists between the two heads of state and heads of government, President Sadat and myself. We have established that it also exists at official levels in other areas of government.

But I think, also, we have something else which is worthy of note. As we saw in the 3 days that we have been in your country, these "Principles of Relations and Cooperation Between Egypt and the United States" have the support of the Egyptian people. We sensed that as we saw your people in such great numbers, and I can assure you, Mr. President, they also have the support of the American people.

And so, not only officially, not only at the head of state and head of government level but also among our people, there is support for this document that we have signed and support not only for the specific agreements, declarations that are contained therein but support for the spirit which we have discussed, in which we will go on from this agreement to others in the future that will build on them.

For example, in our discussions we have explored ways and means that in the future we could build on the understandings set forth in this agreement. It is also very significant to note that the relations and principles described herein are relations and cooperation which are dedicated

to the works of peace, and we believe that this is again something which has the support of your people and of the American people, based on what we have seen in our visit here.

You have referred, Mr. President, to the fact that while we have made very significant progress by reason of the negotiations that have taken place today in removing roadblocks which have existed toward a final, equitable, permanent peace agreement, that there is still a long road to travel. We recognize that, as you recognize it, and we look forward to attempting to work with you, with other governments involved in attempting to find solutions to these problems, because we believe that in the final analysis, it is the permanent peace settlement which is in the interest of every government in the area and every nation in the area. And it is not our intention, as you have indicated it is not your intention, that what we have done to date is final. It is a beginning, a very good beginning, and it has been followed up very substantially by this bilateral understanding which we have signed today. But there is more to be done on both fronts, and we look forward to working with you in accomplishing those goals.

And finally, Mr. President, I would not want this moment to pass without reflecting on those few minutes that we had, through your courtesy, standing by the Pyramids, thinking back over the thousands of years of history which your people have known and history which is the common heritage of the civilization of our world today.

We think of the great things that your people have done in the past, but as we stood there, I thought also of the even

greater things that you, your government—now that we move into an era of peace, now that we will have cooperation with the U.S. and with other governments as well, I am sure, in accomplishing peaceful goals, we think that Egypt now is at the beginning—it is almost trite to say it—not only of a new era but the beginning of what can be the greatest progress this nation has known for many generations and even centuries.

That is your goal. You have spoken feelingly to me about that goal as we have seen your people—so many of them—the farmers, the workers, the teachers, the professional people, and the others, whether in the countryside, in Cairo, or in Alexandria.

It is a great goal, and you can be sure, Mr. President, that we in America share that goal with you. And as far as the principles stated in the papers that we have just signed are concerned, you can be sure we do not consider this just another piece of paper. It has the backing of our Government officially, it has my personal backing, and it also has the heartfelt support, I am sure, of the American people.

NOTE: The President spoke at approximately 12:45 p.m. in the Palace Theater of Abdin Palace in Cairo, in response to remarks by President Sadat.

President Sadat spoke in Arabic. His remarks were translated by an interpreter as follows:

Great guest of Egypt, the President, Richard Nixon, distinguished guests, ladies and gentlemen:

I am indeed happy to be able to speak to you once again at the end of this visit which we all share the view that it is a visit which is both historic and of paramount importance because of the significance that it bears in steering American-Egyptian relations once again towards the path of friendship and cooperation

and because of the drastic steps which it is taking now in order to try and bring a settlement to a painful situation that has existed for over a quarter of a century in the Middle East.

Your visit, Mr. President, has actually come in the wake of concentrated efforts that have been exerted and which were crowned by the disengagement agreements that were signed on both the Egyptian and Syrian fronts.

And you personally, Mr. President, have had great efforts which we are indeed thankful for. And at the same time, your Secretary of State, Mr. Kissinger, who knows no rest at all and no respite in his efforts, he also has a role that will always remain known and recognized.

And once again, I find that I have to formulate the situation as we conceive it before you. And this position, we feel, has three main factors: We find that the disengagement agreement, although it has contributed immensely in breeding the right climate, we believe that it still remains to be a military issue that had only to do with the implementation of the Security Council resolutions dealing with the cease-fire.

We find that the disengagement agreements have actually opened the door before an issue that needs a lot of efforts, and we believe that we cannot possibly belittle the dimensions of those great efforts.

And this, in fact, is the only alternative against the painful recurrence of war.

The second factor is that we have to admit that the crux of the whole problem in the Middle East are the legitimate rights of the Palestine people, and unless this is implemented, we feel that the prospects of peace in the Middle East will be dwindling.

The third factor is that from the bottom of our hearts, we do welcome the change that has occurred in the American position, and we actually welcome and feel satisfied with this new spirit and this positive policy.

We all, and I personally, have been very frank from the very beginning, and I have actually submitted and expressed initiatives to our victorious troops on the front and to

the whole world and with full determination to pursue that policy.

But I feel that these efforts cannot possibly implement everything on their own, but I feel that in order to implement this drive of ours, all the parties have to admit that the 6th of October has brought a change, and it has dissipated forever the fantasy that there could be anything that can be achieved by the force of arms or to try and impose a certain will.

And it is upon such conviction by all the parties of such principles that peace can possibly be established. And it is indeed with satisfaction that I have to say that all the bilateral talks that have taken place between President Nixon and myself, or whether President Nixon and United States Secretary Dr. Kissinger and myself, and Minister Ismail Fahmy, that is on the official plane, or whether the meetings that have taken place unofficially during that visit, I believe that this all enhances our feeling that a great deal is being done for the establishment of peace.

We shall do our very best actually to pursue this line of conduct so that the cooperation between our two countries should be based on mutual respect and for a broader sphere of cooperation.

Allow me that personally I would say that this visit has been an excellent opportunity for me and for Mrs. Sadat to get to welcome a great statesman and the head of a very great state, President Nixon and Mrs. Nixon, and a tribute to a great lady that stands by her husband in the assumption of a great role.

In the name of the people of Egypt, I would like to express once again our happiness that we have been able to welcome President Nixon and Mrs. Nixon and were to welcome him on that visit, a visit which we feel has been of paramount importance and most fruitful, and we do hope that the practical effect of that visit would appear in the very near future. Thank you.

Earlier the same day, President and Mrs. Nixon, accompanied by President and Mrs. Sadat, had visited the Pyramids.

179 Text of the "Principles of Relations and Cooperation
Between Egypt and the United States." *June 14, 1974*

THE PRESIDENT of the Arab Republic of Egypt, Muhammed Anwar el-Sadat, and the President of the United States of America, Richard Nixon,

- Having held wide-ranging discussions on matters of mutual interest to their two countries,
- Being acutely aware of the continuing need to build a structure of peace in the world and to that end and to promote a just and durable peace in the Middle East, and,
- Being guided by a desire to seize the historic opportunity before them to strengthen relations between their countries on the broadest basis in ways that will contribute to the well-being of the area as a whole and will not be directed against any of its states or peoples or against any other state.

Have agreed that the following principles should govern relations between Egypt and the United States.

I. GENERAL PRINCIPLES OF BILATERAL
RELATIONS

Relations between nations, whatever their economic or political systems, should be based on the purposes and principles of the United Nations Charter, including the right of each state to existence, independence and sovereignty; the right of each state freely to choose and develop its political, social economic and cultural systems; non-intervention in each other's internal affairs; and respect for territorial integrity and political independence.

Nations should approach each other in the spirit of equality respecting their national life and the pursuit of happiness.

The United States and Egypt consider that their relationship reflects these convictions.

Peace and progress in the Middle East are essential if global peace is to be assured. A just and durable peace based on full implementation of U.N. Security Council Resolution 242 of November 22, 1967, should take into due account the legitimate interest of all the peoples in the Mid East, including the Palestinian people, and the right to existence of all states in the area. Peace can be achieved only through a process of continuing negotiation as called for by United Nations Security Council Resolution 338 of October 22, 1973, within the framework of the Geneva Middle East Peace Conference.

In recognition of these principles, the Governments of the Arab Republic of Egypt and the United States of America set themselves to these tasks:

They will intensify consultations at all levels, including further consultations between their Presidents, and they will strengthen their bilateral cooperation whenever a common or parallel effort will enhance the cause of peace in the world.

They will continue their active cooperation and their energetic pursuit of peace in the Middle East.

They will encourage increased contacts between members of all branches of their two governments—executive, legislative and judicial—for the purpose of promoting better mutual understanding of each

other's institutions, purposes and objectives.

They are determined to develop their bilateral relations in a spirit of esteem, respect and mutual advantage. In the past year, they have moved from estrangement to a constructive working relationship. This year, from that base, they are moving to a relationship of friendship and broad cooperation.

They view economic development and commercial relations as an essential element in the strengthening of their bilateral relations and will actively promote them. To this end, they will facilitate cooperative and joint ventures among appropriate governmental and private institutions and will encourage increased trade between the two countries.

They consider encouragement of exchanges and joint research in the scientific and technical field as an important mutual aim and will take appropriate concrete steps for this purpose.

They will deepen cultural ties through exchanges of scholars, students, and other representatives of the cultures of both countries.

They will make special efforts to increase tourism in both directions, and to amplify person-to-person contact among their citizens.

They will take measures to improve air and maritime communications between them.

They will seek to establish a broad range of working relationships and will look particularly to their respective Foreign Ministers and Ambassadors and to the Joint Commission on Cooperation, as well as to other officials and organizations, and private individuals and groups as appropriate, to implement the various aspects of the above principles.

II. JOINT COOPERATION COMMISSION

The two governments have agreed that the intensive review of the areas of economic cooperation held by President El-Sadat and President Nixon on June 12 constituted the first meeting of the Joint Cooperation Commission, announced May 31, 1974. This Commission will be headed by the Secretary of State of the United States and the Minister of Foreign Affairs of Egypt. To this end, they have decided to move ahead rapidly on consultations and coordination to identify and implement programs agreed to be mutually beneficial in the economic, scientific and cultural fields.

The United States has agreed to help strengthen the financial structure of Egypt. To initiate this process, United States Secretary of the Treasury William Simon will visit Egypt in the near future for high level discussions.

III. NUCLEAR ENERGY

Since the atomic age began, nuclear energy has been viewed by all nations as a double-edged sword—offering opportunities for peaceful applications, but raising the risk of nuclear destruction. In its international programs of cooperation, the United States Government has made its nuclear technology available to other nations under safeguard conditions. In this context, the two governments will begin negotiation of an Agreement for Cooperation in the field of nuclear energy under agreed safeguards. Upon conclusion of such an agreement, the United States is prepared to sell nuclear reactors and fuel to Egypt, which will make it possible for Egypt by the early 1980s to generate substantial additional quantities

of electric power to support its rapidly growing development needs. Pending conclusion of this Agreement, the United States Atomic Energy Commission and the Egyptian Ministry of Electricity will this month conclude a provisional agreement for the sale of nuclear fuel to Egypt.

IV. WORKING GROUPS

The two governments have agreed to set up Joint Working Groups to meet in the near future to prepare concrete projects and proposals for review by the Joint Commission at a meeting to be held later this year in Washington, D.C. These Joint Working Groups will be composed of governmental representatives from each country and will include the following:

(1) A Joint Working Group on Suez Canal Reconstruction and Development to consider and review plans for reopening the Suez Canal and reconstruction of the cities along the Canal, and the United States role in this endeavor.

(2) A Joint Working Group to investigate and recommend measures designed to open the way for United States private investment in joint ventures in Egypt and to promote trade between the two countries. Investment opportunities would be guided by Egypt's needs for financial, technical, and material support to increase Egypt's economic growth. The United States regards with favor and supports the ventures of American enterprises in Egypt. It is noted that such ventures, currently being negotiated, are in the field of petrochemicals, transportation, food and agricultural machinery, land development, power, tourism, banking, and a host of other economic sectors. The estimated value of projects under serious consideration exceeds two billion dollars.

American technology and capital combined with Egypt's absorptive capacity, skilled manpower and productive investment opportunities can contribute effectively to the strengthening and development of the Egyptian economy. The United States and Egypt will therefore negotiate immediately a new Investment Guarantee Agreement between them.

(3) A Joint Working Group on Agriculture to study and recommend actions designed to increase Egypt's agricultural production through the use of the latest agricultural technology.

(4) A Joint Working Group on Technology, Research and Development in scientific fields, including space, with special emphasis on exchanges of scientists.

(5) A Joint Working Group on Medical Cooperation to assist the Government of Egypt to develop and strengthen its medical research, treatment and training facilities. These efforts will supplement cooperation in certain forms of medical research already conducted through the Naval Medical Research Unit (NAMRU), whose mutually beneficial work will continue.

(6) A Joint Working Group on Cultural Exchanges to encourage and facilitate exhibitions, visits, and other cultural endeavors to encourage a better understanding of both cultures on the part of the peoples of the United States and Egypt.

The two governments have agreed to encourage the formation of a Joint Economic Council to include representatives from the private economic sector of both countries to coordinate and promote mutually beneficial cooperative economic arrangements.

In support of their economic cooperation, the United States will make the

maximum feasible contribution, in accordance with Congressional authorization, to Egypt's economic development, including clearing the Suez Canal, reconstruction projects, and restoring Egyptian trade. In addition, the United States is prepared to give special priority attention to Egypt's needs for agricultural commodities.

Consistent with the spirit of cultural cooperation, the United States Government has agreed to consider how it might assist the Egyptian Government in the reconstruction of Cairo's Opera House. The Egyptian Government for its part intends to place the "Treasures of Tutankhamen" on exhibit in the United States.

Both governments, in conclusion,

reiterate their intention to do everything possible to broaden the ties of friendship and cooperation consistent with their mutual interests in peace and security and with the principles set forth in this statement.

In thanking President El-Sadat for the hospitality shown to him and the members of his party, President Nixon extended an invitation to President El-Sadat, which President El-Sadat has accepted, to visit the United States during 1974.

Cairo, Egypt, June 14, 1974.

RICHARD NIXON

MUHAMMED ANWAR-EL-SADAT

NOTE: The text of the document was released at Cairo, Egypt.

180 Remarks of the President and King Faisal Ibn Abdul Aziz of Saudi Arabia at a State Dinner in Jidda.

June 14, 1974

Your Majesty, Your Royal Highnesses, Your Excellencies, and distinguished guests:

Your Majesty, speaking for all of us here who are your guests from the United States, I express appreciation for this magnificent dinner and also for your very gracious remarks.

This is indeed a very historic visit as far as I personally am concerned and as far as the United States is concerned, because, of the five nations that we are visiting on this journey for peace through the Mideastern area, Saudi Arabia has the longest record of unbroken friendship with the United States of all those nations. And while I have had the opportunity on several occasions to receive not only Your Majesty but others representing your

country in the United States and to meet and talk to you there, I am honored that this is the first visit of an American President to Saudi Arabia.

And I believe that it is important and significant to point out to all of those assembled here that this visit is not one that is necessary because of any differences we have in a bilateral sense, because as Your Majesty pointed out and as Prince Fahd's recent visit to the United States ¹ underlined, we have embarked on new areas of cooperation in the economic and security fields which we are sure will serve the interests of not only our two countries but the interest of peace in this part of the world.

¹ See Item 166.

We live in a very decisive time in the history of world diplomacy. Over these past 3 years, we have seen the United States of America establish a new relationship with the People's Republic of China, where one-fourth of all the people in the world live. We have seen the end of America's longest and most difficult war in Vietnam. We have had a series of meetings with the leaders of the Soviet Union to resolve differences and develop, where possible, areas of cooperation for peaceful purposes.

But I would be certainly much less than candid if I were not to admit that despite these advances in the cause of peace, we know how difficult and long the road ahead is if we are to have a permanent peace.

I think, for example, of His Majesty's background, the fact that when he was only 14 years of age he attended a conference at the end of World War I, a war that was described at that time as one that would end all wars. But that, of course, was not the case. Versailles left only the seeds for a war that was to follow in the next generation.

And then His Majesty attended another conference after the Second World War in San Francisco, the conference that set up the U.N. And yet with all the high idealism that motivated so many of those who attended that conference, it did not produce a framework which guaranteed what so many wanted, a lasting peace, because wars continued to come.

And that is why, to the extent that we can contribute to a great goal, our goal is not simply a peace that will be an interlude between wars but a peace that can last, and such a peace must be built carefully, step by step, having in mind the fact

that if mistakes are made in the making of the peace, the result inevitably will be simply another conflict.

So, I can say tonight that while we do have a new and promising relation with the People's Republic of China, while we do have a dialog discussing many constructive items with the Soviet Union, we realize that the process of peace is one that never ends. We must continue to work in order to preserve it.

And that brings me, of course, to the area of the world in which we are most interested at this time—the Mideast. We want to play a helpful role. And our Secretary of State, we believe, has played a helpful role working with the governments in the area to settle longtime differences. But we are aware that we cannot produce an instant formula to solve all longtime differences. But what is new in the present situation is that the United States is playing a role, a positive role, working toward the goal of a permanent peace in the Mideast.

And it is for this reason, Your Majesty, that this visit to Saudi Arabia, clearly apart from the very great pleasure it gives us to see you personally again and to see so many of our friends, it is for this reason that this visit is important. Because over the past 27 years, I have had the privilege of meeting and knowing the leaders of over 80 nations in the world.

And I can assure all of those assembled here that in terms of years of experience, in terms of wisdom, in terms of vision, not only for his own country and his own area but for the whole world, there is no man on the world scene who can surpass our host tonight, His Majesty King Faisal.

I know that most people—at least, it is assumed that most people come to Saudi

Arabia to get oil. We can use oil. But we need more, something that is worth far more than oil. We need wisdom.

And that is why I am sure that the talks that His Majesty and I have already been privileged to have and that we will continue tomorrow, will help me, help the Secretary of State in our developing the policies and developing the programs that can continue the momentum toward the goal that we all seek, a just and lasting peace for the people of the Mideast and all of the nations in this area.

And finally, just to demonstrate that I am somewhat of a practical politician, let me say that while we will treasure most the wisdom that we will take with us after this visit, we, of course, will need the oil to carry us to our next stop.

And, Your Majesty, I just want to make clear, we, of course, will pay the world price.

NOTE: The President spoke at approximately 9:30 p.m. at the Royal Guest Palace in response to remarks by King Faisal.

King Faisal spoke in Arabic. His remarks were translated by an interpreter as follows:

Your Excellency Mr. President, honorable gentlemen:

I extend to you a warm welcome in this land of the heavenly message that illuminated for all humanity the path of righteousness and wisdom.

Mr. President, we have always endeavored to maintain the friendship which was founded by His Majesty the late King Abdul Aziz, may God bless his soul, between the people of the Kingdom of Saudi Arabia and the American people. We have always been concerned with the improvement and strengthening of this friendship and constantly advised our friends in the United States of America to do likewise and not to give anyone the pretext to harm it.

Mr. President, the Kingdom of Saudi Arabia appreciates fully and realizes her responsibility towards the world community whose members

should cooperate together for their common happiness and prosperity.

But at the same time, she cannot approve of any harm which may be inflicted upon any of its member nations, especially if such harm is directed against her.

Mr. President, the injustice and aggression which were wrought upon the Arabs of Palestine are unprecedented in history, for not even in the darkest ages had a whole population of a country been driven out of their homes to be replaced by aliens.

The Arab nation has appealed to the conscience of the world for more than a quarter of a century to regain their lost rights and to undo the injustice which had been committed, but these appeals were in vain, and they had no alternative but to resort to arms in the defense of their rights, their lands, and their sacred shrines.

Mr. President, we seek a peace based on right and justice, because only with such peace can security and stability throughout the world be obtained.

In this respect, we highly appreciate this step forward which has been realized on the road to peace under Your Excellency's guidance and by the wise and decisive efforts of your Secretary of State, Dr. Henry Kissinger. We hope that the United States of America will continue her efforts for a just and lasting peace in the area so that it may live in peace and security, because it is peace and security that form the basis for its development and prosperity. Thus the United States of America would be fulfilling her responsibilities as the most powerful nation of the world.

We believe that there will never be a real and lasting peace in the area unless Jerusalem is liberated and returned to Arab sovereignty, unless liberation of all the occupied Arab territories is achieved, and unless Arab people of Palestine regain their rights to return to their homes and be given the right to self-determination.

Mr. President, the step performed by Your Excellency in visiting the area is such a wise act which wins our thanks and appreciation. We hope that it will bring peace and prosperity to this part of the world. We assure Your Excellency that we value the friendship of the

United States of America and wish to cooperate with her for the benefit of the Arab world in general and the Kingdom of Saudi Arabia in particular.

We also hope that the visit which our brother, His Royal Highness Prince Fahd, has just paid to the United States of America will be the beginning of a constructive and fruitful co-operation between the two friendly nations.

Mr. President, may you convey to our friends in the United States and to the friendly American people our deepest thanks and great appreciation.

Once more, Mr. President, I welcome Your Excellency and the distinguished members of your party in our country, wishing you all a happy stay.

Thank you.

181 Remarks at the Conclusion of Discussions With King Faisal of Saudi Arabia. *June 15, 1974*

Your Majesty, Your Royal Highnesses, Your Excellencies, ladies and gentlemen:

Once again, it has been my great privilege and pleasure to meet with Your Majesty, as well as with Crown Prince Khalid and other members of the Saudi Arabian Government.

Our talks have been constructive and far-reaching, covering problems on the whole world. We have particularly directed our attention to, and have reviewed in detail, the momentous changes that are occurring in this area of the world, the Middle East.

While we both recognize that important steps have already been taken on the long road to permanent peace in this area, there is much that remains to be done in reaching our goal.

And the United States intends to persevere in its active efforts to achieve this difficult but great goal of a permanent and equitable and just peace in this area, and essential elements in the search for peace are the fundamental developments we are witnessing in American relations with Saudi Arabia and with other nations in the Arab world.

The American and Arab nations are rapidly moving into an era of close co-operation and interdependence, an era

unprecedented in the long history of our relationships. It is entirely fitting that one of the first manifestations of this new era should come in the relationships between Saudi Arabia and the United States, the two nations that have been closely bound by ties of friendship for more than three decades.

In exploring avenues of cooperation, His Majesty and I have focused, in particular, on the work of the joint commissions which were agreed to a week ago during the visit of His Royal Highness Prince Fahd and other senior Saudi ministers to Washington. These commissions and the goals they represent hold rich promise for the future of Saudi Arabia and for the future of the entire Mideast.

And, Your Majesty, the United States intends to be Saudi Arabia's active and constructive partner in insuring the success of these goals.

His Majesty and I have also reviewed the efforts by the United States to assist Saudi Arabia in maintaining its defense forces. Our two nations are totally dedicated to peace. But to achieve that goal in this area, Saudi Arabia must have a level of security that is consistent with its role as a leader in this part of the world. If Saudi Arabia is strong and secure, as it

will be, we will enhance the prospects for peace and stability throughout the Middle East and, in turn, throughout the world.

As we conclude these talks after having met on several occasions before, I would say that today American ties with Saudi Arabia have never been stronger and have never more solidly been based than they are now. We have long been good friends, and our friendship which now develops into an active partnership will be further strengthened through active cooperation between us in the areas that I have described.

And, Your Majesty, on behalf of all of the Americans traveling with me, I would like to express our grateful appreciation to you for the very generous hospitality you have extended to us and also to express appreciation to you for the gestures of hospitality and the counsel you have provided for Secretary Kissinger during his visits to your nation.

And personally, I look forward to meeting you again when you next can plan a trip to the United States. I can assure you of a warm and friendly reception.

NOTE: The President spoke at 12:55 p.m. in the King's Office at the Al-Ri'assa Palace in Jidda.

King Faisal responded to the President's remarks in Arabic. His remarks were translated by an interpreter as follows:

Mr. President, Excellencies, distinguished guests:

It is a source of great appreciation to meet with you again, Mr. President, only this time in our country, and to receive you so warmly as you may have seen, so genuinely, on the part of the people and the Government of Saudi Arabia.

We greatly appreciate, Mr. President, your genuine expressions of friendship and solidarity and cooperation between our two countries. We have no doubt whatsoever that everybody who is genuine and who knows us well, both sides

of us, is absolutely assured of our agreeing with you fully about the strengthening and deepening of our relations.

And as I have mentioned to you, Mr. President, I have the conviction that all our Arab brethren are desirous of and are seriously looking forward to improve the relations that bind them to the United States of America in ties of friendship and respect.

It is our sincere hope that all the problems and the blemishes that seem to mar the relationship between the United States of America and some Arab countries will be removed so that the clear waters will go back to their natural course.

We are fully confident in the efficacy of Your Excellency's endeavors to remove all these problems and blemishes so that we can once again, the Arab world and the United States of America, be very close and deep friends.

But what is very important is that our friends in the United States of America be themselves wise enough to stand behind you, to rally around you, Mr. President, in your noble efforts, almost unprecedented in the history of mankind, the efforts aiming at securing peace and justice in the world.

It goes without saying that in addition to our professions—genuine professions—of friendship between us and our desires to strengthen the ties, there is no doubt that our ultimate objectives, both you and us, are in the same direction, namely, aiming at securing peace, justice, stability, and prosperity to the whole world.

And anybody who stands against you, Mr. President, in the United States of America or outside the United States of America, or stands against us, your friends in this part of the world, obviously has one aim in mind, namely, that of causing the splintering of the world, the wrong polarization of the world, the bringing about of mischief, which would not be conducive to tranquillity and peace in the world.

Therefore, we beseech Almighty God to lend His help to us and to you so that we both can go hand in hand, shoulder to shoulder in pursuance of the noble aims that we both share, namely, those of peace, justice, and prosperity in the world.

And we sincerely hope that God will grant us success to our joint efforts in reaching those noble aims for all peoples of the world.

I would like to assure you, Mr. President, that for our part, we will pursue, realize, and carry out every item that we have agreed upon, both sides, between Dr. Kissinger and His Royal Highness Prince Fahd, between the American side and the Saudi side in the fields of cooperation.

And I would like to reiterate my thanks and gratification at your having taken the trouble to grace us with this very kind and most welcome visit and certainly beseech Almighty God to grant you continued success in your noble endeavors.

Thank you.

182 Remarks of the President and President Hasez al Asad of Syria at a State Dinner in Damascus. *June 15, 1974*

Mr. President, Mrs. Asad, Your Excellencies, and distinguished guests:

Mr. President, on behalf of all your guests tonight and particularly your American guests, I express appreciation for this magnificent dinner and for the entertainment which accompanied it.

I was somewhat prepared for this evening by our Secretary of State, Henry Kissinger. He told me of his great respect for your quick intelligence, for your tough negotiating ability, and also for your statesmanship. And you, Mr. President, have told me that there is a Syrian saying to the effect that the guest's respect and admiration for his host is directly measured by the amount of food the guest consumes at the host's dinner.

I can now see why Henry Kissinger gained 7 pounds in his 13 trips to Damascus over the past 30 days. And whenever we wear him out on his other travels throughout the world, we will send him back here to build him up.

And tonight, in addition to complimenting those who prepared this magnificent dinner, all of them and those who served it so beautifully, may I pay respects on behalf of all our guests and your guests tonight to the cultural groups who entertained us so beautifully.

And it is my hope, Mr. President, that with the cultural exchange program be-

tween our two countries being reestablished, that a group like this—maybe this one—you will choose to send to the United States so that people in Washington and other cities may be able to see it and hear it, as we did tonight.

Mr. President, I am sure you must know how I feel in my position standing here in what is generally agreed to be the oldest continually inhabited city in the world, Damascus, and to realize that this city in 6,000 years has seen more of history than any other continually inhabited city on the whole globe.

And tonight, as you have indicated, this ancient city with its honorable traditions, its great history, sees another event which will mark a new direction in the relations not only between two nations but, we trust, between and among many nations in this part of the world.

That new direction is symbolized by what you have referred to, that this is the first time a President of the United States has ever visited Damascus, has ever stood on Syrian soil. But it symbolizes far more than that.

You have indicated the fact that a first step has been taken toward the just and equitable peace that we want for this area of the world. And you have indicated very eloquently, very directly, very candidly, as you have always done, your concern

about what other steps may be taken or should be taken in order that the peace be just and be equitable. You have indicated your concern about such matters as the Palestinians, which we, of course, understand; your concern about your borders, which we, of course, understand; and other matters that are for future negotiations.

I would like to tell you that I have an instant solution for these very complex problems, but you would know with your vast experience in diplomacy and negotiations, as would our other guests here, that I do not bring any instant solution to these problems.

I do know that for 30 years that resort to war by either side, by whatever chance, has not solved these problems.

And I do know that the United States, for that reason as well as for other reasons involving our interests in justice and equity, now is directly involved in attempting to get solutions for these problems through the channels of peace rather than through resort to war.

The fact that a first step has been taken has been credited with very good reason to the persistence and ability of our Secretary of State and his colleagues. But your own statesmanship, your own recognition of what could be accomplished and should be accomplished as a first step, played an indispensable part in obtaining this first disengagement step in this critical area.

Tomorrow we will explore in greater detail all of the factors involved in the problems that you have touched upon tonight.

I can simply state tonight, however, that we do not consider the first step to be the last step. It is a beginning, and a good beginning. But now we must move forward step by step as each case permits it

to be done until we reach our goal of a just and equitable peace.

And while, Mr. President, as I said earlier, it would be very easy to make rather overblown promises about what can be accomplished and when it can be accomplished, I can tell you that the United States is committed irreversibly to participating where we can be of assistance in working out an equitable and just peace settlement.

And it is with that spirit of good will, of understanding, and of determination that we will enter our talks tomorrow with you on what various steps can be taken in the future that can be effective.

Having referred to that specific problem, may I return, in conclusion, to the theme which you touched upon so eloquently in your remarks.

America is fortunate to have many of Syrian background as citizens of our country. They are all good American citizens but proud of their Syrian background, and they have enriched the diversity of our American life.

And tonight, Mr. President, as I met you, Mrs. Asad, your wonderful family, had the opportunity to see some exhibits of your culture, I realize how much both of our countries have missed in being apart for so many years over these past 20 years.

As I sensed at this dinner tonight and as I sensed as we rode through Damascus earlier today, it is natural for Syrians and Americans to be friends. It is not natural for us to be enemies. And I would hope and trust that we would never again allow differences to drive us apart as they have over these past few years.

We will not always agree, just as friends do not always agree. But as friends, we will learn from each other, and we will

work together for a goal to which we are both deeply dedicated, the cause of peace not only between and among the nations in this area but for all peoples in the world.

And so, I think we can safely say that after 6,000 years of history, this great city is seeing again something happening, something that will change not only the relations between our two countries but something that can change the world and make it a better world for all of us.

And for that and many other reasons, Mr. President, Mrs. Nixon and I, Dr. Kissinger, and all of your American guests are proud to be here tonight in your company as your guests.

NOTE: The President spoke at approximately 10:45 p.m. in the Orient Club in response to remarks by President Asad.

President Asad spoke in Arabic. His remarks were translated by an interpreter as follows:

Mr. President, Mrs. Nixon, honored guests, ladies and gentlemen:

I am indeed happy to extend a warm welcome to President Richard Nixon and to Mrs. Nixon, also to our honored American guests, wishing them all a happy stay in our country.

Mr. President, as we extend greetings to the American people through you, we also express appreciation for your visit which has a historic significance, considering that you are the first President of the United States to pay a visit to our country. Your visit, Mr. President, is especially meaningful in that it is taking place in an important juncture in the modern history of our region and after a long period of estrangement between our two countries. It is also meaningful in that it constitutes a part of the tour which you have declared to be dedicated to efforts aimed at establishing a just and durable peace in our region.

We welcome every sincere endeavor aimed at achieving a just peace, and we wish you full success in your efforts. I should also make it clear that peace is a genuine attribute of the Arab nation and that we have a real interest in such a peace. We desire a stability based on

real freedom in order to ensure for ourselves a many-sided progress that would ultimately restore to our people the ability to play an appropriate role in the activities of the international community, wherewith to serve both themselves and humanity at large.

For a long period of time, the Arab nation has struggled to achieve peace. However, it has faced difficulties, and obstacles have been placed in its way. Moreover, it has been subjected to pressures and threats that have aimed at depriving it both of freedom and of the exercise of its free will, as well as at making it abandon the principles with regards to which it refuses all compromise.

Our nation, whose land was the cradle of the most ancient civilizations and the birthplace of monotheistic religions and which, through its long history, made rich contributions to culture, is a productive nation that harbors no harm to anyone. It has no other aim than living freely in its land and reconstructing its life in all fields so as to be able to resume contributing to humanity under peaceful conditions.

It cannot do this, however, while it feels that its fate and land are threatened and its freedom violated through the occupation of parts of its territory and while millions of our nation, from Palestine and other Arab lands, are dispersed.

For 26 years now, the people of Palestine have lived homeless and completely deprived of their legitimate rights, which have been recognized by international law and conventions as well as confirmed—almost every year since 1947—by resolutions of the United Nations. This made them despair of the justice of man and international organizations, because the more they complained against injustice, the more aggressions were heaped upon them and the more their rights were ignored by their aggressors, who have gone so far as to deny these rights and even to deny the very existence of the Palestinian people. By doing this, they have forced the Palestinian people to follow a path not of their own choice in order to remind the world of their existence and of their case. No peace can be established in this region unless a real and just solution is found for the Palestinian question.

Mr. President, you can imagine the extent of the disappointment of the Arab people dur-

ing the past years when they saw that the efforts that they had exerted and the sacrifices they had made to achieve peace and justice were being spurned and rejected. They were likewise disheartened by the failure of efforts aimed at redressing their grievances.

The only lasting and durable peace in this region would be a peace that would terminate Israeli occupation, restore the land to its people, remove the grievances inflicted upon the people of Palestine, and ensure them of their legitimate national rights.

During the last few years, efforts were made to impose a fait accompli that has all the elements of renewed war and bloodshed and is far removed from the pathway to peace. We had to resist those efforts, as we did, first, in the October war and, then, in its extension, the Golan war, when it was proved that a fait accompli based on occupation and aggression cannot last.

It was also proved that reliance on force to extract from others what was their legal rights constitutes disregard to human values on one hand and a lack of vision on the other hand. Furthermore, a fact, repeatedly reaffirmed throughout different historical events, has been reasserted, namely, the fact that any triumph which is not based on right and justice, if it may be called a triumph, is only a temporary one and a feeble one which is bound sooner or later to collapse once the strong wind of good right and justice start blowing.

Real peace is an urgent demand and a pressing need for all peoples of the world. Such peace should be based on ensuring the rights of peoples and removing their grievances.

Indeed, world peace in the present age has become the ideal of humanity—an ideal which governments seek and for which peoples struggle. But this peace is almost impossible to achieve without establishing a just peace in this region which is one of the pivotal points of the world.

Mr. President, we hope that your visit to the Syrian Arab Republic will mark the beginning of a new phase of relations between our two countries, a phase based on mutual respect, unselfish cooperation, and adherence to the principles of the United Nations Charter. We are confident that the existence of such relationship serves the interests of our peoples.

We believe that the key to understanding and the essence of sound relations between any two states lies in a frank and clear approach. Hence our eagerness that our talks should be frank and clear in the hope that, through this, we can arrive at a common conception regarding subjects of discussion and a common understanding of the elements constituting a just peace in our region. There is no doubt that this would help us to take firm steps leading to a peace that fulfills the interests of the Arab people and all other peoples of the world.

Mr. President, we fully appreciate your personal role and American political initiatives as well as the importance of these initiatives and their effect on international détente. We appreciate your desire for good and friendly relations in our region and your endeavor to establish a durable and firm peace in it. We have witnessed a manifestation of this new attitude in the mission you entrusted to your Secretary of State, Dr. Henry Kissinger, to contribute to the realization of a first step along the road of a permanent and lasting peace. We appreciate the great efforts he exerted during the talks for the disengagement of forces on the Syrian front.

It is very important that we should regard what has been achieved as a prelude to the next stage which should establish peace on a firm and real foundation. This is the great challenge to meeting which the efforts of all sincere supporters of peace should be directed.

Mr. President, you will be soon celebrating in the United States the Bicentennial of independence. Let us not forget the lofty principles for which you fought the American War of Independence—above all, the principle of liberty.

I am happy to refer to the fact that a large number of U.S. citizens are of Syrian descent and have proved themselves to be good citizens in all fields of life. This should serve as an urge to enhance friendship between the two peoples.

Let us open a new page and begin a new phase in the relations between our two countries in which freedom and justice are emphasized, the causes of aggression are removed, and actions are performed with the support and backing of our two peoples in order to serve the good of the whole humanity.

In conclusion, ladies and gentlemen, I wish

to stress the importance of this visit and to extend greetings to President Richard Nixon and Mrs. Nixon and to wish them good health and

happiness. Let us also extend greetings to the American people for whom we wish continued success and progress.

183 Remarks About Resumption of Diplomatic Relations Between the United States and Syria. June 16, 1974

President Asad, distinguished guests:

I join President Asad in expressing my pleasure that our two Governments are today reestablishing diplomatic relations. The American and the Syrian peoples have a long history of friendly relations, and we in America are proud to count on many persons of Syrian descent among our citizens.

We look forward now to an expansion in contacts and cooperation between the United States and Syria. President Asad and I have agreed that ambassadors will be named within 2 weeks.

In the many contacts which have taken place in recent weeks between the United States and Syrian Governments in the course of the negotiations on disengagement, each side has made clear its respect for the independence and for the sovereignty of the other. I want to reaffirm that relations between our two countries shall be based on this principle of international law. I also want to take this opportunity to express my admiration for the efforts of President Asad and his colleagues, the efforts they have undertaken in the interests of peace. The United States will work closely with Syria for the achievement of a just and lasting peace in implementation of United Nations Security Council Resolution 338—a peace which will bring a new era of growth and prosperity and progress in the Middle East.

The renewed contacts between our Governments and, especially, the inten-

sive discussions leading to the agreement on the disengagement of Israeli and Syrian military forces have contributed markedly to a deeper understanding and improvement in the overall relationship between the United States and Syria and between our two peoples. President Asad and I consider this agreement a first step towards a just and lasting peace in this area.

President Asad and I have agreed our Governments will review and develop further concrete ways in which the United States and Syria can work more closely together for their mutual benefit. A senior Syrian official will visit Washington in the near future to discuss specific plans to achieve this goal. In the general context of strengthening our bilateral relations, I have affirmed that the United States is prepared to resume educational and cultural exchanges. President Asad extended an invitation to the United States to participate in the Damascus International Trade Fair next month, and I have accepted this invitation with great pleasure on behalf of the United States.

I have extended an invitation to President Asad to visit the United States at a time to be agreed, and I am delighted to announce that he has accepted this invitation.

NOTE: The President spoke at approximately 12:45 p.m. at the Presidential Palace in Damascus, in response to remarks by President Asad.

President Asad spoke in Arabic. His remarks were translated by an interpreter as follows:

It was a good opportunity to receive in Damascus Mr. Richard Nixon, the President of the United States of America, since his visit afforded us the opportunity to exchange views on matters concerning our bilateral relations and the Middle East issue. Many values of civilization and humanity link the American people and the Syrian-Arab people. It is natural that the American citizens of Syrian descent form one of the bridges of understanding that would pave the way for a new phase in relations between our two peoples, relations based on the mutual interests and the respect of each side for the independence and sovereignty of the other side.

We welcome the participation of the United States of America in the Damascus International Fair this year. We declare our readiness for conducting a dialog to consolidate friendship between the peoples of both countries and to establish ties of cooperation in the educational and economic fields so as to serve the interests of both sides.

The Syrian Arab Republic extends thanks to President Nixon for the constructive efforts which the United States of America exerted for reaching an agreement on the disengagement of forces on the Golan Heights. The Syrian Arab Republic declares its readiness to pursue its sincere and constructive cooperation with the Government of the United States of

America for laying down the firm basis for a just and lasting peace in the Middle East region.

The agreement of the disengagement of forces and our understanding constitutes a first step towards, and an integral part of, the comprehensive, just settlement of the issue. Such a settlement cannot be reached without Israel's withdrawal from all the occupied Arab territories and the securing of the national rights of the Palestinian people in conformity with our understanding of Security Council Resolution Number 338 of October 22, 1973, this understanding which we communicated to the United Nations in due time.

We are dedicating our utmost efforts for achieving a just and lasting peace in our region. We consider this peace an essential condition for the stability of international peace and security. We believe that peace in any region cannot be consolidated if the people of that region is robbed of his basic rights that are recognized under the Charter of the United Nations and its resolutions.

President Nixon and I have agreed to consolidate dialog and cooperation between our two countries for achieving a just and lasting peace in our region and in the world.

We also agreed to enhance the relations between our countries in all fields.

Finally, we have agreed that diplomatic relations between our two countries be restored as of today at the ambassadorial level.

Thank you.

184 Remarks on Arrival at Tel Aviv, Israel. *June 16, 1974*

Mr. President, Mr. Prime Minister, Your Excellencies, distinguished guests, ladies and gentlemen:

It is for me, as I am sure all of you can imagine, a very great moment to be standing here, as the President has indicated, as the first American President to be here in Israel and, particularly so, because our two countries have been joined together in friendship from the time of Israel's birth as a nation in our modern times.

We have been through, over these years, some difficult times. During the period that I have served as President of the United States, we have been through some difficult times together, and I can only say that the friendship that we have for this nation, the respect and the admiration we have for the people of this nation, their courage, their tenacity, their firmness in the face of very great odds, is one that makes us proud to stand with Israel, as we

have in the past in times of trouble, and now to work with Israel in a better time, a time that we trust will be a time of peace.

Reference has been made to the fact that this is the first visit of a President to Israel, a President of the United States. It is, of course, not my first trip to this land. I was here in 1966 and then at the very end of the June war in 1967.

As I visited some of the troops, as I met for the first time the now Prime Minister, then commander, and also Mr. Dayan and others who were leaders of Israel at that time, and particularly as I visited the hospitals where some of the wounded were—the wounded on both sides—I realized, first, how much Israel had gone through to defend itself in war, how much war cost not only Israel but also those on the other side, and how the goal of peace was one that was in the interests of both sides, in the interest of Israel, this nation of enormous ability, enormous prospects, whatever the odds may be, but a people with the ability to go forward to heights undreamed of if the terrible danger of war could be reduced and even sometime removed.

And that is why, at this time as I travel to nations that over the past few years have been Israel's traditional adversaries, that I have been glad to know that the people of this nation understand, that they appreciate the purpose of that journey.

The people of Israel understand, appreciate the purpose of a journey I will take later to the Soviet Union for the third meeting with Soviet leaders. And that purpose is the purpose of peace for all the world and, in this area particularly, peace among the nations involved. It is not an easy goal to achieve.

The road ahead is difficult, because the

peace that we seek, that all nations in the area seek, must be one that is just and one that is equitable, one that provides the opportunity for each nation to maintain its independence and its security against all those who might threaten it.

But we have taken the first steps down that long road and now, working with our traditional friends from Israel as well as with some of the other nations in the area who have indicated a similar desire to find a way to solve differences through peace rather than war, we believe the goal can be achieved.

We are dedicated to it. We know that you, too, are dedicated to it. And I would say, finally, you are dedicated to it not because you have, as you look back over your history, any fear insofar as your ability to defend yourself is concerned, because you have demonstrated your courage over and over again, but you look forward to the achieving of this goal because you know how much more Israel—this great, proud people, small in numbers but high in intelligence and dedication and ability—how much more they could create for their own good and for the people of the world if they could turn their full attention to the works of peace. That is our goal.

An impossible dream, one would have said when I was in Israel at the end of the June war in 1967. A possible dream now. What we want to do is to make that possible dream come true with your cooperation, with your help, and I am confident we can.

Thank you.

NOTE: The President spoke at approximately 3 p.m. at Ben-Gurion Airport in response to remarks of welcome by President Ephraim Katzir.

The Prime Minister was Yitzhak Rabin.

President Katzir's remarks were as follows:

Mr. President, Mrs. Nixon, distinguished guests from the United States, ladies and gentlemen, blessed are you who come in the name of peace:

You are the first President of the United States to visit the State of Israel, and we welcome you and Mrs. Nixon and the distinguished members of your party with a very warm *shalom*. Your visit to our country is an occasion of joy as well as of great significance for us.

The United States has stood by the side of Israel from the day of her rebirth as a sovereign state. Throughout the years, the great American people have demonstrated their friendship. In hours of trial, we have enjoyed your sympathy and support just as we always have benefited from your Nation's generosity in helping us to advance our country and to bring a better life to our people.

You, personally, Mr. President, have demonstrated in a singular manner your amity and your constant readiness to come to our assistance. We shall never forget, Mr. President, that you stood with us in hours of grave perils as well as in days of opportunity and hope.

And today our hopes are that our people,

gathered from the four corners of the Earth after centuries of persecution and decades of wars, will be able to live as free men in peace and security.

We are grateful to our great sister democracy and to you, Mr. President, for all that has been done and is being done to strengthen us in our national rebuilding. You will have some opportunity to observe for yourself what has been accomplished in transforming this once barren land into a fast developing and vibrant country.

We welcome you, Mr. President, because your presence here epitomizes the mission of peace in our area which the American Administration, under your guidance and leadership, is pursuing. As a people whose supreme goal is peace, we applaud your efforts in which we wholeheartedly participate.

We know that you, Mr. President, regard the mission of peace in this area as an essential ingredient of the wider endeavor to build a world structure of peace.

On behalf of the Government of Israel and the people of Israel, and in the spirit of the profound friendship between our nations, I bid you *Barukh Haba*, blessed be he who comes.

185 Toasts of the President and President Ephraim Katzir of Israel at a State Dinner in Jerusalem. June 16, 1974

Mr. President, Mr. Prime Minister, and all the very distinguished guests on this very great occasion:

I say it is a very great occasion, because for Mrs. Nixon and for me, for Secretary Kissinger and all of your American guests, it is a great moment for us to be entertained here in this place which means so much to this country, which has won our admiration and affection and respect over the years and also because of the very gracious and eloquent remarks that have been made by the President in proposing

the toast to the President of the United States.

To President Katzir, of course, I will propose a toast in response. But it is the prerogative of presidents sometimes to break precedents. Normally, there is only one toast in an evening, particularly a state dinner.

Tonight, I would like to propose a second toast and propose it first, not in derogation of your President, but because I discussed the matter with him and have his permission.

I have had the great privilege over the past 27 years to travel to over 80 countries. I have met most of the leaders of the world. Some were called great, some near great, and some were called things much worse than that. I also have had a chance as President to meet, talk to, and evaluate most of the leaders on the current scene today and those who have been on it over the past 5 years.

And I can say to this audience here gathered in the Knesset in Israel that no leader I have met, no president, no king, no prime minister, or any other leader has demonstrated in the meetings that I have had with that leader greater courage, greater intelligence, and greater stamina, greater determination, and greater dedication to her country than Prime Minister Meir.

The President has informed me that this is the first state dinner that has been held in this room, this great hall, since she left that post, and consequently, I thought that I, having worked with her, having become her friend, and she has been my friend, that I might have the honor and the privilege to ask you to join me in a toast to the former Prime Minister.

Prime Minister Golda Meir. To Golda.

MRS. MEIR. As President Nixon says, presidents can do almost anything, and President Nixon has done many things that nobody would have thought of doing. All I can say, Mr. President, as friends and as an Israeli citizen to a great American President, thank you.

THE PRESIDENT. In responding also to the very eloquent remarks of President Katzir, it gives me an opportunity to reflect for a moment on the contribution that has been made to my country, the United States of America, by those of Jewish background. I could mention them

in many fields, and the names are legion. Their accomplishments in many cases certainly exceed those of any group that we could possibly imagine. And I suppose that sometimes those who do not know America and do not know our system wonder how it happens.

We have no quota system. We don't do it because we are trying to recognize people, because they happen to represent a particular group in the society. Oh, there is some of that in politics, there always is. But just to give you an idea as to the standard that most of us, as Americans, have applied and that I have tried to apply, I recall that when I made the appointment of Dr. Kissinger as Secretary of State, much ado was made about it, and they said, "Well, President Nixon has appointed the first Jewish Secretary of State."

And I can say to this audience here, I appointed him not because he happened to be of Jewish background, I appointed him because he was absolutely the best man for the job, and he has proved to be the best man for the job.

And when we speak of the programs for peace to which the United States is dedicating itself now and to which we have been dedicated throughout this Administration, a great deal of the credit goes to this man, one who worked long and hard when he was an Assistant to the President for National Security Affairs and now who works twice as hard when he holds that position and the position of Secretary of State and three times as hard since he is also now married.

The other point that I thought was appropriate to touch upon in responding to the toast by the President of Israel was for me to pay a tribute to those who have served in the armed forces of this coun-

try. I had an opportunity, as I pointed out when I arrived at the airport, to see some of them at the conclusion of the war in 1967. Some of them had been wounded and some of them, of course, most of them, were well, all of them were enormously impressive.

I saw an honor guard today, and I can see, as I look here at the present chief of staff, that the quality of the Israeli Armed Forces is as high now as it was then.

Throughout the world, Israeli soldiers, airmen, sailors have earned respect for their courage, for their discipline, and of course, for their enormous effectiveness in the battles that they have had to fight. And one of the reasons that Israel has survived is that in addition to having the arms which they have had, that they have had the personnel, the skilled personnel, the dedicated personnel, the patriotic personnel that could use those arms effectively in defense of their country.

And as I think of those armed forces and what they have done, I would like to reiterate what has been American policy not only in this Administration—it was in the previous ones and ever since Israel became a modern state, and it will be, I think, in the next Administration, whatever the outcome of the next election may be—to reiterate the fact that the United States and Israel are friends, that the United States has responded when Israel has had problems involving its defense. We have tried to respond as generously and effectively as we can.

We have known that when we have responded, that whatever help we have been able to give will be used well. And that is a tribute to the men and the women who serve in the armed forces, the men and women who led them, and certainly in this respect, Israel can be proud of those

in uniform who have had to go to war too often, but necessarily, in order to see that this state survived.

Now, I suppose many of you wonder what a tribute to the Armed Forces of Israel has to do about talking concerning the Secretary of State who has worked for peace and of responding to a toast by the President of Israel which is concerned about peace.

Very simply, I would like to tell you how I felt as I drove through the streets of this city today. I saw many people, and of course, as an American I was proud to see so many with the American flags and the Israeli flags, their friendly welcome.

But as is often the case as I travel through cities with my wife and we see people along the sides of the street, knowing always that they are there not to welcome us personally so much as to perhaps to pay their respect to the great nation that we are proud to represent, what impresses me the most always are the children. They are so young, they are so full of hope, they are so full of life, and they deserve, I think, a better chance than we had, not that we have any complaints.

All of us who live in these times should recognize that whatever our hardships are, these are great times, great times because they are times in which we are changing the world, and we are changing it, we trust, for the better.

But what we are all trying to do in our governments, be they large or small, what we are all trying to do in serving our countries, whether proudly wearing the uniform or in the Foreign Service, as the case might be, or as a member of the Parliament, we are trying to create a better nation and a better world for those thousands of children we saw on the streets here, yes, and the thousands of children

I have seen in the streets of Cairo, Lenin-grad, London, Japan—all over the world.

This may sound rather idealistic and overly simplistic, but I am convinced that what motivates the great majority of the leaders of the world today, whatever their differences may be on major matters, is a desire to have progress within their countries and is a recognition that without peace there cannot be sustained progress.

And so we now come to the problems we confront in building that kind of peace. It takes courage, and great courage, to fight in war, and we admire that courage. And I pay tribute particularly tonight to those in the Israeli Armed Forces who have shown courage far beyond the call of duty in their service to their country every time they have been called to serve.

It also takes courage, a different kind of courage, to wage peace. It requires risks, just as war requires risks, and the stakes are high, just as the stakes in war are high. And so, this is what has characterized our foreign policy which has been subject perhaps to some legitimate criticism, because we have taken risks, the opening, for example, of relations on a new basis with the People's Republic of China, not because there was any difference in our attitude toward their system of government or their attitude toward ours, but because the leaders of the People's Republic of China had one-fourth of all the people in the world, and unless the United States of America, as the most prosperous nation in the world today, finds a way to start a dialog with the most populous nation in the world today, 15, 20, 25 years from now, the whole human race may pay a very great price.

And so, we began. All differences are not ended. But the dialog is begun, and

peace in the Pacific has a better chance to survive as a result of that risk we took.

Our dialog with the Soviet Union has been subjected, as we know, to some rather sharp criticism. It also contains risks for us, perhaps for them as well. But the alternative to negotiation, of course, is confrontation, and the alternative to talking is to return to the cold war where there would be no influence whatever of the United States on their policies, or theirs, for that matter, on ours, where they might come into armed confrontation.

And it is in that spirit that we will go to Moscow again, just a week after returning from the Mideast, on June 27, go there to continue a dialog between the two strongest nations in the world, but to continue it recognizing that under no circumstances, will we negotiate at the expense of any other nation, large or small.

We believe that is in the interest of peace, because if the two strongest nations are unable to find a way to live together in peace, uneasy, competitive, call it what you will, the chances for civilization to survive, the civilization which we feel so strongly as we stand in this place here tonight, the chance for that civilization to survive is infinitely less.

And that brings us, of course, to the area of the Mideast. I would be, as a pragmatist, and my colleague, Dr. Kissinger, also as a pragmatist, would agree that when we talk about bringing an era of peace to the Mideast, we do not consider this to be a simple task, an easy task, or even one in which the goal can surely be achieved. But we do know that we must try. We do know that we must begin. There have been four wars in a little over a generation in this area, and unless we change the situation some way, somehow, there will be another war and another

one, and each one, of course, is terribly costly to the nations involved and particularly to this nation, of course, since you feel it, since you are here, and also potentially very dangerous to the peace of the world.

What is the U.S. role? Let me state it very simply: Under no circumstances does the fact that the United States is seeking better relations with some of Israel's neighbors mean that the friendship of the United States and the support for Israel is any less. What it simply means is this: We feel that if by creating a different relationship, by bringing a new element into the discussions that may take place in this area, by bringing perhaps some new ideas to the attention of those other nations in the area who have been involved in war over these past years, that there is a chance that the process that has begun, the two disengagements with which you are familiar can be and will be continued, and that eventually we can achieve the goal of a just and enduring peace for this area.

And that brings me, finally, to the leaders in this room—and they are leaders of very great quality. And if those in the diplomatic corps and those in the American community who are guests will forgive me for a moment, let me address these remarks only to those who are here from our host, from Israel. There is a new Prime Minister and a new government. I know the new Prime Minister well. He is, as we know, one of Israel's and one of the world's most famed military men. He was a man of great courage, great discipline, and unusual ability, a leader in war.

And then he demonstrated that he could be a diplomat when he came to Washington, and after having met him first briefly

in 1967, I learned to know him very well when he was there serving in Washington. And now he succeeds Golda Meir as head of government of this nation. And as I think of him, I think of the members of Parliament, I think of the members of his government, there are two courses that are open to them. The one is an easy one, an easy one particularly politically, I suppose, and that is the status quo. Don't move, because any movement has risks in it, and therefore, resist those initiatives that may be undertaken, that might lead to a negotiation which would perhaps contribute to a permanent, just, and durable peace.

But there is another way. The other, I believe, is the right way. It is the way of statesmanship, not the way of the politician alone. It is a way that does not risk your country's security. That must never be done. But it is a way that recognizes that continuous war in this area is not a solution for Israel's survival and, above all, it is not right that every possible avenue be explored to avoid it in the interest of the future of those children we saw by the hundreds and thousands on the streets of Jerusalem today.

And so, for that reason, let me say that we have been honored and proud to work with Israel and to support Israel in times when Israel found it necessary to go to war.

And now, we hope and trust that this great creative ability, which is here in such great abundance in this room and in this nation, will be used to the works of peace in the same dedication as has been shown whenever war was concerned. Because with that kind of intelligence, that kind of dedication, I am confident that together we can find a way in this very difficult area of the world, where the

hatreds go back over many years, where the differences seem insoluble, where nations many times are unstable, that we can find a way to build a permanent, just, and durable peace.

I would simply close my remarks on this point by saying it is more difficult, perhaps, than the opening to China was, and that was a difficult mission and venture, but worth taking the risk. It is more difficult than our bringing America's longest and most painful war to an end and bringing it to an end in the right way so that America would remain respected in the world, respected by its allies and its adversaries alike.

It is more difficult perhaps even, some would say, than the continuing dialog between the two strongest nations in the world which must go forward if we are to have any chance for a peaceful world. Here, where civilization began, we have the greatest challenge, but also the greatest opportunity to make sure that civilization continues. This is the cradle of civilization. We must make sure that it does not become its grave.

And it is that challenge that I am confident that the leaders of Israel will join with us in trying to seek those solutions to those differences which remain, so that we can build that permanent peace that we want in this area, because peace for Israel, peace for the Mideast, will mean that the whole world has a better chance for peace.

And, Mr. President, I know from having talked to you that you are dedicated to such ideals, and consequently, in proposing this toast to the people of your country, the people of Israel, I suggest that we raise our glasses to the President of Israel.

President Katzir.

NOTE: The President spoke at approximately 11:15 p.m. in the Knesset, the Israeli Parliament building, in response to a toast proposed by President Katzir.

President Katzir's remarks were as follows:

Mr. President, Mrs. Nixon, Secretary Kissinger, honored guests:

We meet this evening in the great hall of the Knesset, the legislative body of the State of Israel, heir to the tradition of the great Knesset of close to 2,500 years ago. The great Knesset came into being during the first return to Zion after the destruction of the first temple, and it was the great Knesset which continued the prophetic tradition and laid the foundations for the democratic life of the Jewish people. The modern Knesset, too, has come into being during a period of return to Zion, the second return, realizing the 2,000 year old dream of the Jewish people.

A generation ago, a battered people emerged from the valley of the shadow of death into the light of liberty. Here, where Jewish peoplehood was born, where our lawmakers proclaimed the Biblical ethic, where the prophets spoke their immortal message, here did we, the surviving sons of that people, rekindle the torch of national independence, thereby ending 20 centuries of exile. Israel's history records that the first country to welcome us back into the family of sovereign nations—literally 5 minutes after our declaration of independence—was the United States of America. From that day to this, a fabric of friendship has become closely interwoven between our peoples.

Mr. President, welcome to you and to all your distinguished fellow Americans who are with you.

Your presence here tonight is a magnificent personal expression of that understanding and friendship, making this an exalted moment in the history of the American-Israeli relations.

You come to an ancient land, to Jerusalem, City of David, whose Jewish memories run 4,000 years deep. You come to a small people, poorly endowed in geography, but alive with passion of creation. And whilst the differences between our countries in size and age are great, this has not hindered the intimacy of our peoples. This is surely so because our human purpose as nations rests upon deep affinities of ideals and experience.

Both our lands are built upon immigration. Our founding fathers, yours and ours, had a vision of a haven for the homeless and the helpless. At the entrance to your major harbor stands the Statue of Liberty and at the entrance to ours, a refugee immigrant barge. Both are symbols of the concept of countries built by those who entered destitute, by the oppressed and the persecuted. The American people can surely grasp the meaning of our ingathering of exiles and the intensity of our compulsion to create here, in the land of our heritage, a small place under the sun where we may live our own lives in freedom, according to our own needs, our own will, and our own choice.

We share, too, a common heritage of pioneering of the arduous fight against nature, of pushing back deserts and marsh, of sacrificing in order to build and sow and reap. Our geographies differ vastly, but not the spirit of our pioneering tradition rooted in the imagery of the Hebrew prophecy of men who "went into the wilderness, in the land that was not sown."

The edifice in which we are here assembled this evening—the Knesset—symbolizes what is most significant in our common traditions: our democracies. Their paths lead back to these ancient hills and city—holy to three great faiths—where man first proclaimed the dignity of man created in the image of God, where human life was declared a sacred absolute, where nations were urged to beat swords into plowshares, where man was enjoined to work to earn his bread but should not live by bread alone, and where the rights of all men were respected. How consciously did the American fathers of the Revolution dedicate themselves to this moral system to which the land of our ancestors gave birth. American democracy and Israeli democracy are alive and vibrant because they cling tenaciously to these eternal truths of social and international justice.

Central to our common vision is a doctrine of universal peace. You, Mr. President, have left no stone unturned in your pursuit of it. Under your leadership, the United States of America has written an impressive new chapter in the diplomatic chronicles of our times. Your very visit to our region—which is so unprecedented and which we in Israel so greatly wel-

come—dramatically illustrates your determination to advance the cause of reconciliation.

Peace, Mr. President, was and remains our cherished goal. We are not a martial people. Our legendary heroes are prophets and scholars. We are the authors of mankind's oldest pacific tradition. Make peace and pursue it, declared the psalmist. I can, therefore, assure you, on behalf of the government and the people of Israel, that we are eager to pursue the path of dialog and negotiations which you are endeavoring to bring about between ourselves and our neighbors.

May your effort prove to be a new and shining chapter in the history of our relations which stretches back to the earliest days of our struggle for freedom, of our self-defense, and of our striving to build in peace. The name of the great American people is written large in the drama of this nation's rebirth. I here must make mention of the Jewish community of the United States with whom we share profound ties of faith and spiritual attachment, a community that has generously assisted us in meeting the welfare needs of our homecoming people.

Mr. President, we have had to do so much in so little time. And while we have been building, we have had to sacrifice much to safeguard our freedom. Certainly in this we shall never falter. At the same time, in our quest for peace with security, we shall always remember the moral and material support we received from the greatest democracy in the world, the United States of America. Therefore, Mr. President, Israel salutes you. It does so in gratitude and appreciation. It does so because of your special, historic role in giving strength to an historic people. True friendship is tested in times of trial, and you, Mr. President, have demonstrated this magnificently. Your understanding, your concern, your deeds in support of our defense and our freedom have contributed greatly to the strength of Israel to defend herself through her own efforts. And a strong Israel is in itself a component of the peace and stability in our area to which your mission is dedicated.

May God grant you ultimate success in this, your great mission of peace for the sake of all the people of our region and the world as a whole.

Ladies and gentlemen, I ask you to raise your glasses to drink to the health of an outstanding statesman and world leader whose contribution to build a better world and to bring peace has brought hope to our whole generation.

To the President of the United States of America and to the great people of America.

Lechayim U' L'shalom—all the best.
Lechayim—all the best.

Earlier in the day, the President and Mrs. Nixon called on Mrs. Golda Meir at her residence in Jerusalem. Mrs. Meir was Prime Minister of Israel from March 1969 to June 1974.

186 Joint Statement Following Discussions With Prime Minister Yitzhak Rabin of Israel. *June 17, 1974*

THE PRESIDENT of the United States, Richard Nixon, visited Israel June 16–17, 1974. This is the first visit ever to have been paid by an American President to the State of Israel. It symbolizes the unique relationship, the common heritage and the close and historic ties that have long existed between the United States and Israel.

President Nixon and Prime Minister Rabin held extensive and cordial talks on matters of mutual interest to the United States and Israel and reviewed the excellent relations between their two countries. They discussed in a spirit of mutual understanding the efforts of both countries to achieve a just and lasting peace which will provide security for all States in the area and the need to build a structure of peace in the world. United States Secretary of State Henry Kissinger and members of the Israeli Cabinet participated in these talks.

Prime Minister Rabin expressed Israel's appreciation for the outstanding and effective role of the United States in the quest for peace under the leadership of President Nixon assisted by the tireless efforts of Secretary Kissinger and indicated Israel's intention to participate in further negotiations with a view to achieving peace treaties with its neighbors

which will permit each State to pursue its legitimate rights in dignity and security.

President Nixon and Prime Minister Rabin agreed that peace and progress in the Middle East are essential if global peace is to be assured. Peace will be achieved through a process of continuing negotiations between the parties concerned as called for by U.N. Security Council Resolution 338 of October 22, 1973.

The President and the Prime Minister agreed on the necessity to work energetically to promote peace between Israel and the Arab States. They agreed that States living in peace should conduct their relationship in accordance with the purposes and principles of the United Nations Charter, and the U.N. Declaration on Principles of International Law concerning Friendly Relations and Co-operation among States which provides that every State has the duty to refrain from organizing or encouraging the organization of irregular forces or armed bands including mercenaries for incursion into the territory of another State. They condemned acts of violence and terror causing the loss of innocent human lives.

The President and the Prime Minister expressed their great pleasure in the intimate cooperation which characterizes the

warm relationship between their two countries and peoples. They agreed to do everything possible to broaden and deepen still further that relationship in order to serve the interests of both countries and to further the cause of peace.

President Nixon reiterated the commitment of the United States to the long-term security of Israel and to the principle that each State has the right to exist within secure borders and to pursue its own legitimate interests in peace.

Prime Minister Rabin expressed his appreciation for the U.S. military supplies to Israel during the October War and thereafter. The President affirmed the continuing and long-term nature of the military supply relationship between the two countries, and reiterated his view that the strengthening of Israel's ability to defend itself is essential in order to prevent further hostilities and to maintain conditions conducive to progress towards peace. An Israeli Defense Ministry delegation will soon come to Washington in order to work out the concrete details relating to long-term military supplies.

President Nixon affirmed the strong continuing support of the United States for Israel's economic development. Prime Minister Rabin expressed the gratitude of Israel for the substantial help which the United States has provided, particularly in recent years. The President and Prime Minister agreed that future economic assistance from the United States would continue and would be the subject of long-range planning between their governments. The President affirmed that the United States, in accordance with Congressional authorization, will continue to provide substantial economic assistance for Israel at levels needed to assist Israel

to offset the heavy additional costs inherent in assuring Israel's military capability for the maintenance of peace.

In the economic field, the President and the Prime Minister noted with satisfaction the effective working relationship between their governments at all levels and the depth of the relationship between the economies of the two nations. They agreed to strengthen and develop the framework of their bilateral relations. The primary goal will be to establish a firmer and more clearly defined structure of consultation and cooperation. Where appropriate, they will set up special bi-national committees. Both sides recognize the importance of investments in Israel by American companies, the transmission of general know-how and marketing assistance, and cooperation of American companies with Israeli counterparts on research and development. The United States Government will encourage ventures by American enterprises and private investment in Israel designed to increase Israel's economic growth, including in the fields of industry, power, and tourism. They agreed to begin immediately negotiations for concrete arrangements to implement such policy including in the area of avoidance of double taxation.

The President and Prime Minister announce that their two governments will negotiate an agreement on cooperation in the field of nuclear energy, technology and the supply of fuel from the United States under agreed safeguards. This agreement will in particular take account of the intention of the Government of Israel to purchase power-reactors from the United States. These will secure additional and alternative sources of electricity for the rapidly developing Israel economy. As an

immediate step, Israel and the United States will in the current month reach provisional agreement on the further sale of nuclear fuel to Israel.

Prime Minister Rabin particularly expressed the view that the supply of oil and other essential raw materials to Israel must be assured on a continuous basis. President Nixon proposed that United States and Israeli representatives meet soon in order to devise ways of meeting this problem.

The President and the Prime Minister stressed as an important mutual aim the further encouragement of the fruitful links already existing between the two countries in the scientific and technical field, including space research. Special emphasis will be put on exchanges of scientists and the sponsorship of joint projects. With this end in view they will explore means to widen the scope and substance of existing agreements and activities including those pertaining to the Bi-National Science Foundation.

In the area of water desalination the two countries will expand their joint projects.

The President and the Prime Minister agreed to develop further the cultural ties between the two countries through exchanges of scholars, students, artists, exhibitions, mutual visits and musical and other cultural events. In the near future, Israel will send to the United States an archeological exhibition depicting the Land of the Bible. The Israel Philharmonic Orchestra will visit the United States on the occasion of the American bicentennial celebrations.

The President and the Prime Minister noted with gratification the large number of tourists from their respective countries

visiting both the United States and Israel and affirmed that they would continue their efforts to foster this movement. To this end, the two governments will resume negotiations on an agreement granting landing rights to the Israel national carrier in additional major cities in the continental United States.

The President and the Prime Minister discussed the plight of Jewish minorities in various countries in the spirit of the Universal Declaration of Human Rights. The Prime Minister thanked the President for his efforts in support of the right of free emigration for all peoples without harassment, including members of Jewish minorities. The President affirmed that the United States would continue to give active support to these principles in all feasible ways.

The President was particularly pleased at the opportunity to meet with former Prime Minister Golda Meir, whose courage, statesmanship, patience and wisdom he greatly admires. The President expressed his satisfaction at the constructive cooperation between Israel and the United States under Prime Minister Meir's leadership which had led to the conclusion of the agreements between Egypt and Israel and between Israel and Syria respectively on the disengagement of their military forces.

In departing, President and Mrs. Nixon expressed their deep appreciation of the warm reception accorded to them in Israel and their admiration for the achievements of the Israeli people. They were deeply impressed by the manner in which the overwhelming problems of integrating many hundreds of thousands of immigrants of many various backgrounds and cultures were being successfully over-

come. Convinced of the determination of this valiant people to live in peace, the President gave them renewed assurance of the support of the people of the United States.

The Prime Minister and the President agreed that the cordiality of Israel's reception of the President reflected the long friendship between Israel and the United States and pledged their continued energies to nurture and strengthen that friendship. To this end, the President invited

Prime Minister Rabin to pay an early visit to Washington.

NOTE: The text of the statement was released at Jerusalem, Israel.

On the same day, the White House released the transcript of a news briefing on the President's meetings in the Middle East by Secretary of State Henry A. Kissinger.

Also on the same day, the President and Mrs. Nixon visited the Yad Vashem Monument at Mount Herzl in Jerusalem to attend a memorial service for the 6 million European Jews killed during World War II.

187 Toasts of the President and King Hussein of Jordan at a State Dinner in Amman. *June 17, 1974*

*Your Majesties, Your Royal Highnesses,
and all of your distinguished guests:*

First, Your Majesty, may I express my deep gratitude on behalf of the Nation I represent for the award you have just presented to me. And I can assure you that it will be on display at the White House for the thousands of visitors to see, who come through those rooms and who, when they see it, will recognize how important we in the United States consider friendship with Jordan to be. And I am grateful for the fact that this award, which I understand goes only to heads of state, is one that you have seen fit to present on this occasion.

Also, I would like to tell you how touched Mrs. Nixon and I have been by the reception we have received in our visit to Jordan. As you know, this is the first time I have been to this country. It is not because of a lack of desire on the part of either of us not to have come sooner, because we would have liked to, but it is only because our schedules did not permit at an earlier time.

And I can only say that never have we had what we thought was a warmer reception from the hearts of the people as we drove through the streets of Amman, a city with a great past and a city and a country with an equally great future. It is called the City of the Seven Hills, and I only wish that we had a chance to explore more than just three, which has been our lot to date.

And so, we will have to come back some day so that we can go to those many places of historical interest which I know attract tourists from all over the world, come back so that we can see them and perhaps again enjoy another visit with you.

And let me also, on behalf of your American guests particularly and, I think, perhaps all of your guests tonight in the diplomatic corps and your guests from Jordan, express appreciation for the splendid musical entertainment that we have had. As I listened to it, I could not believe my ears. I thought that some way we had imported the United States Marine Corps Band which plays, as you

know, Your Majesty, in the White House for the state dinners which you have attended so often while we have been there. And as they played favorites from all nations, but several from American musical comedies, I can assure you that their ability as musicians, but particularly their ability to play in any idiom, and particularly ours, in a way that we understood it, was enormously impressive. And you made us feel very much at home, and they did with that splendid performance, which incidentally we could hear but not see, but it is right out that door, I understand. It was not a record player.

Your Majesty, you have spoken of your first visit to the United States, and I remember it well. I have mentioned on the occasions of your visits since I have been President what President Eisenhower thought of you at that time. Nineteen hundred and fifty-nine, 15 years ago, when you were a very young king—you still are a very young king, but very mature and very wise because of the years you have been a king, a king all of your adult life—but you were only 23 then, and I remember that President Eisenhower afterwards told me—and he has been known to be a very good judge of men—he told me that he was enormously impressed with what he called the quiet inner strength that the King of Jordan had. Little did he know or did we know at that time how often that inner strength would be called upon to save this country. And I know, however, that before his death he saw that evaluation vindicated.

I have seen it vindicated, and I can say tonight, looking through the pages of history since you have been King of this country, that but for the strong courageous leadership of His Majesty, the King of Jordan, this country would not be in ex-

istence today. And we in the free world are all proud and respectful of the leadership you have given. And that is one of the reasons why in our friendship with Jordan it is one that does not just begin now, it is one that goes back to the time that Jordan became the state that it presently is. It is one that has continued throughout the period of your reign as King, and it is one, I can assure you, Your Majesty, that will continue now and in the future.

Because as we travel abroad in these years and make what we hope will be new friends, new friends, for example, in mainland China, the People's Republic of China, Soviet Union, and new friends in this part of the world, in the Mideast, let us always remember that we do not forget our old friends. We remember that the friendship that has bound us together has served us both well, and you can be sure that that friendship will always continue as long as we have an opportunity to have the kind of discussions that have characterized our relationships since I have held this office and, I am sure, will characterize them whoever may be the President in the years to come when, I trust, you will still be the King of this country.

You have spoken of the journey that we have taken, and, Your Majesty, you have very properly and, I may say, in very good grace have mentioned some difficult problems that remain unsolved. And I wish this evening that I could have brought with me a briefcase full of solutions and I could have laid them out on this table, because there is nothing in my heart that I want more, nothing that the American people want more than a solution to these problems that not only have brought war four times to this troubled area of the world in the last 30 years but also these problems which have divided

the United States from many of its traditional friends in what is called the Arab world.

And so, while I cannot tonight, and will not be able tomorrow in the meetings that we will have to discuss these situations in more detail, offer solutions at this time, I can tell you that, just as you said in every conversation that I have had, the problems that you have raised have been discussed with me and in great detail—the problems of the Palestinians, the problem of Jerusalem, the problem of borders, the problems that we could go on and list, perhaps, at even greater length.

But the fact that all of these problems do not have solutions at this time is no cause for despair. What would be cause for despair would be if the people in these nations and the leaders of the nations in this area were to go back to the old ways, and the old way was to dig in, freeze into place, and wait for another conflict to break loose.

There is one thing that the last 25 years or 30 years have proved, and that is that another war will not solve the problems to which you have referred. That has been tried and it has not succeeded—and I am not suggesting who tried, where or why or how the fault might have been, but war is not a solution and cannot be a solution to problems as intricate as this, not at this period in the history of this area.

And that is why we feel on our part, and I know, Your Majesty, from our discussions that you share this view, that we must try another way. We must try the path of peace.

You have urged this upon me from the time you first called upon me as President back in 1969. And the United States, I must say, has not played a decisive and, in some cases, has not played an effective

role in the Mideast in attempting to move on the path of solving these problems through peaceful means.

But the new element that has been added, the new element that has been symbolized by this journey which you have referred to, the new element that certainly was not only symbolized but showed actual results in addition, in the long negotiations which were undertaken by Secretary Kissinger in the Mideastern area—one leading to the disengagement on the Israeli-Egyptian front and another on the Syrian-Israeli front—the one new element is that the United States now has made a decision that we will undertake not to impose a settlement because we are not the best ones from the outside. No one from the outside knows what is best as far as a settlement is concerned. But we will undertake, where the nations in the area—and this seems to be the case at this time—where the nations in the area want us to, we will undertake to use our influence and use it effectively to bring leaders of nations who have disagreements on such critical issues as you have discussed tonight, bring them together and try to find fair and just solutions to these problems.

And so tonight, I do not tell you where this journey will end. I cannot tell you when it will end. The important thing is that it has begun.

You said earlier, Your Majesty, that this was the last stop. Let me tell you, it is the last stop on this trip, but it is only the beginning of the journey for peace, because what we have found is that despite the important first steps that we have taken, they are only a beginning. We have a long way to go, and this trip is simply another step, a step in which understanding has been created where there was misunderstanding before, where new rela-

tions have been created where there were no relations before and where an American presence, where it is desired by both parties concerned or all parties concerned, is there to be used and used effectively.

And so, as I look to the future, I would say this is no time to be certainly Pollyannaish about what the future may be. These problems are difficult. The divisions are deep, and some of them go back over many, many years. But also, this is a time when there can and must and should be hope—hope because of this new element that has been brought into it, not simply because it is the United States, but because our particular role in the world at this time in the world's history is one that I think we have demonstrated is a peacemaker role, whether in Asia or in Europe or anywhere else.

To me the greatest challenge to American foreign policy, even greater than ending the war in Vietnam in an honorable way, which was essential for our further foreign policy successes, even greater than the challenge that was confronted when we had the opening to the leaders of those who led over one-fourth of all the people of the world, the People's Republic of China, even greater than opening a new dialog with those who led the great super power, the Soviet Union, is this very complex and difficult problem which we find here in the Mideast, because it is not one nation, it is several. It is not one single problem, there are several.

And there are differences of opinions among the people, among the leaders, among the nations on so many of these problems. And it is this reason, therefore, Your Majesty, that I do not talk tonight simply with that easy optimism that will lull everyone into a false sense of security, but that I do talk with a confidence

based on what I think are some new developments that have reason to give us hope.

And I can assure you that we on our part will do all that we can to keep the momentum going, because it must continue until we come to what we might term the end of the journey. And the end will not be reached until we are satisfied that a just and durable peace, one that will last, has been established in this part of the world.

Finally, Your Majesty, let me say that I look forward to our talks tomorrow. This is a small nation, but it is headed, as I indicated earlier, by a very courageous leader and also, I have learned, by a very wise leader. Your Majesty has proved to be, in every talk I have had with him, one who is understanding of the problems of those who oppose him, one who understands the issues of the whole area, one who is fair, one who sees things not simply from one side but from the other side as well.

Sometimes the word "moderate" is used, and it is used in a condemning way. But I would say it is this kind of responsible leadership—strong, responsible, call it moderate if you want—that is going to lead to that peace that both of our nations and all the nations in this area seek.

And so with that, I know that all of you will want to join me in responding to the toast which has been given by His Majesty, by speaking, first, of the traditional Jordanian-American friendship which was strong already and will be even stronger after our meetings and speaking, second, of the new relationship of friendship which has been established between the United States and what is called the Arab world, although that is a statement that perhaps oversimplifies a more com-

plex area than that. But there is a new relationship and a good and positive one that has developed with Egypt and with Syria that was not there before.

And finally, and above all, to a man who has had the vision from the time he was a very young king, a man who has kept that vision—even when in the year 1970 it seemed that his whole world and his whole nation was coming down around him—a man who had the vision of a permanent and just peace in the Middle East. I know that we would want to raise our glasses and drink to the health of His Majesty, the King, and to the Queen.

NOTE: The President spoke at approximately 10:20 p.m. at Basman Palace in response to a toast proposed by King Hussein.

King Hussein's remarks were as follows:

Mr. President:

I am sure you know, sir, how happy I am personally to welcome you and Mrs. Nixon to Jordan and to return, if only briefly and inadequately, the hospitality that you and the American people have extended to me over the last 15 years.

As you may remember, we met for the first time in 1959, when my friend and your very great and good friend, the late President Eisenhower, first invited me to the United States. It was an experience of his kind, person-to-person relationship that I shall never forget and will always cherish. And each succeeding visit to the United States has not only intensified my affection for the American people but has strengthened, I believe, the friendship between our two countries.

I hope, Mr. President, that you have also been aware of the obvious warmth of feeling the Jordanian people want to express to you and, through you, to the American people. It is a feeling borne, in part, of gratitude for the support you have given us and for the inspiration you have been to us. The support helped us to surmount enormous difficulties, and the inspiration helped us and many small nations to survive in a free world.

Mr. President, we join with you in all the hopes and expectations you must have for this

memorable "Journey for Peace" that you are undertaking, and we in the Arab world are grateful that you have made it. Although you know better than anyone else, perhaps, that a journey for peace seems to have no ending, your coming to us at this time has been perfectly timed to preserve the momentum that American initiative had begun under your inspired and inspiring leadership.

The dispatch of your Secretary of State, the world now knows, ranks with the most celebrated diplomatic missions of all time, and your insistence that he pursue his course to the end has undoubtedly led to a turning point in Middle East history that will long be remembered.

Dr. Kissinger's skill, patience, and determination in negotiation has brought us closer to peace in the Middle East than we have been in a quarter of a century. At no time has the will to peace been stronger or the opportunity greater. But this opportunity will be lost, perhaps forever, if we do not take courageous advantage of the chance for peace that lies before us.

The separation of forces agreements between Egypt and Israel, and between Syria and Israel, were major milestones on the road to peace. Another lies ahead. But we must not lose sight of, we must keep within our vision, the final goal that it is still many milestones away. The next one, of course, is the separation of forces between Jordan and Israel. That is an essential prerequisite to any discussion of a permanent settlement if Jordan is to contribute its full share in the efforts leading towards a just and lasting peace. Once that has been accomplished, with again the strong and friendly hand of America, we must then press forward with reason and firm determination toward the final goal.

If the initiative launched by the United States under your leadership, Mr. President, is lost and the momentum slowed down, the days of "no peace, no war," will be with us again in a potentially more dangerous and explosive situation.

I am grateful, Mr. President, that this is the last stop on your current "Journey for Peace." I am sure there will be others. But your visit here, before returning home, gives me the opportunity to express to you, before your departure tomorrow, four thoughts which we hope you will take home with you and which,

I am sure, you have heard from my brothers, the heads of state in Egypt, Saudi Arabia, and Syria.

The first is our great satisfaction over the new era of good will that is opening up between the United States and the Arab world. As a friend of longer standing, I may be permitted to say how gratified I am by the new relationship that has developed between you and President Sadat, and between you and President Asad. Possibly nothing that has happened in these last momentous months will contribute more to a lasting peace in the area than this new understanding between you.

A second thought that I know has been presented to you in Cairo, Jidda, Damascus—and now in Amman—is the absolute unity of position of the four countries in firmly backing the implementation of the principles of Resolution 242 as the basis for any peaceful settlement. No nation, it is written into the United Nations Charter, shall acquire territory of another nation by armed force. And that principle, among others, is given specific interpretation in the '67 resolution by calling for withdrawal of Israeli forces from Arab territory occupied in the war of 1967.

Only when Israel abides by the spirit of the United Nations Charter and only when Israel obeys the letter of the Security Council resolution can "secure and recognized borders" come into being. It should now be clear to Israel that security and territory are not synonymous, that true security rests on the recognition by her neighbors of her right to live in peace within those borders. So long as Israel continues to occupy Arab territory, there will neither be peace nor security in the Middle East.

Third, disengagement of forces can be arranged, truce lines can be drawn, and political settlements can be negotiated, but there can be no peace until the major issue in the conflict between Israel and the Arab world is resolved and resolved justly. That is the problem of Palestine. There can be no peace until the legitimate rights of the Palestinian people are recognized and restored. The Palestinian problem has never been a refugee problem, but one of the inherent rights of a people to return to their homeland and to determine their own future. Once the occupied territory has been evacuated by the Israelis, only Palestinians can decide what its future is to be. They can choose

continued union with Jordan, a new form of federation, or the creation of a separate state. The choice is theirs and theirs alone, and whatever their choice, it will enjoy our full acceptance and support.

And finally, Mr. President, I would now like to speak, in the name of all Arabs, Moslems, and Christians alike, these same thoughts I am sure you also have heard from President Sadat, His Majesty King Faisal, and from President Asad. I want to speak of the city of Jerusalem. The Arab world, and the world of Islam stretching far beyond the Arab world into Africa and Far East Asia, will never allow the Arab city of Jerusalem to remain under the control of Israel. Arab sovereignty over the holy city must be reinstated. This—the return of Arab sovereignty over the Arab city of Jerusalem—is the cornerstone for a just and lasting peace in the Middle East. Only thus can Jerusalem become the city of peace for all those who worship the One God—Moslems, Christians, and Jews.

Mr. President, your visit to Jordan on your "Journey for Peace" is an inspiring occasion for us. We hope you will take back with you a memorable picture of what your great and dedicated leadership, and the initiative that America has taken, have done to move the heart and raise the hopes of the Arab world. As America continues—as surely it must—on its "Journey for Peace," not only in the Middle East but throughout the world, please tell your people that you go with the gratitude and confidence of the Arab people and the blessing of all mankind.

My one regret, and that of the Queen, is that you and Mrs. Nixon will not be staying with us for a longer time. We sincerely hope that you will both come back to see us again.

And now, ladies and gentlemen, may I ask you to rise and join me in a toast to the President of the United States and to Mrs. Nixon, a toast from the people of Jordan to the people of America and to the fervent hope that the friendship that exists between our two countries will continue to prosper under the peace we are all so earnestly seeking.

The President and Mrs. Nixon.

Now, Mr. President, I have the honor of presenting to you the Order of the Hussein ben Ali Kilada, the highest order in Jordan.

188 Joint Statement Following Discussions With King Hussein of Jordan. *June 18, 1974*

ON THE INVITATION of His Majesty King Hussein, President Richard Nixon paid the first visit of a President of the United States of America to the Hashemite Kingdom of Jordan on June 17 and 18, 1974.

During this visit President Nixon and His Majesty King Hussein discussed the full range of common interests which have long bound Jordan and the United States in continued close friendship and cooperation.

The United States reaffirmed its continued active support for the strength and progress of Jordan. The President explained to His Majesty in detail the proposal he has submitted to the Congress of the United States for a substantial increase in American military and economic assistance for Jordan in the coming 12 months. The President expressed his gratification over the efforts which Jordan is making under its development plan to expand the Jordanian economy, to give significant new impetus to the development of Jordan's mineral and other resources and production, and to raise the standard of living for all its people.

The President expressed admiration for His Majesty's wise leadership and stated his view that effective and steady development would make a substantial contribution to peace and stability in the Middle East. The President promised a special effort by the United States Government to provide support in a variety of ways for Jordan's development efforts and in this regard welcomed the recent visit to Washington of His Royal Highness Crown Prince Hassan.

His Majesty emphasized the importance of maintaining Jordan's military strength if economic progress and development are to be assured.

His Majesty expressed the view that resources invested in maintaining the security and stability of the Kingdom are related to its economic growth, for without order and peace it is unrealistic to expect to marshal the energies and investment needed for economic progress. The President agreed with His Majesty and promised, in cooperation with the Congress, to play a strong role in maintaining Jordan's military strength.

His Majesty and the President agreed that they will continue to give U.S.-Jordanian relations their personal attention. In this context, it was agreed that a joint Jordanian-U.S. Commission will be established at a high level to oversee and review on a regular basis the various areas of cooperation between Jordan and the United States in the fields of economic development, trade and investment, military assistance and supply, and scientific, social and cultural affairs.

His Majesty and the President have long agreed on the importance of moving toward peace in the Middle East. The President discussed the steps which have been taken in this regard since His Majesty's visit to Washington in March of this year. His Majesty expressed Jordan's support for the very significant diplomatic efforts which the United States has made to help bring peace to the Middle East. His Majesty and the President discussed the strategy of future efforts to achieve peace, and the President promised the ac-

tive support of the United States for agreement between Jordan and Israel on concrete steps toward the just and durable peace called for in United Nations Security Council Resolution 338 of October 22, 1973.

The President has invited His Majesty to pay a visit to Washington at an early date. The purpose of the visit will be to hold further talks on the strategy of future efforts to achieve peace in accord with the objectives of United Nations Security Council Resolution 338. Further dis-

cussions of the details of the establishment of the joint commission will also be held. His Majesty has accepted the invitation and the date of the visit will be announced shortly.

The President expressed his gratitude and that of Mrs. Nixon for the warm hospitality extended by His Majesty, by Her Majesty Queen Alia and by the Jordanian people.

NOTE: The text of the statement was released at Amman, Jordan.

189 Remarks on Departure From Jordan.

June 18, 1974

Your Majesty:

Over the past 27 years, Mrs. Nixon and I have had the opportunity of visiting most of the countries of the world, and I want you to know that in no country in the world have we received what we believe is a warmer reception, a more friendly reception than we have received in Jordan.

We can also say that as we have traveled through the countries of the Mideast, we have been enormously impressed by the respect and affection for the country we represent, the United States of America. And the reason that that respect and affection exists, I believe, is because the people that we saw, both the leaders and people, recognize that we represented a nation that was dedicated to peace. They recognized that the journey we were taking to their countries was in the interest of peace. And if there is one fact that stands out after traveling through these countries that we have visited, it is this: The leaders of the na-

tions that we visited, like yourself, Your Majesty, are dedicated to finding a way to peace, and just as important, the people that we saw—and we saw literally millions of people in five nations—are dedicated to peace.

They are dedicated to peace because they have seen that war solves no problems. Four wars in 30 years have brought nothing but hatred, distrust, and then more war. And now it is time to try a different way, a way that is sometimes more difficult—difficult from the standpoint of the statesmen to wage—than to wage war. And that is to try the way of peace, and we are embarked on that path.

As far as the United States is concerned, we will play an active role to the extent that the nations in this area want us to play an active role, and we have found in our visit that each of them welcomes a U.S. role in attempting to find a solution to these basic problems that exist and which could be the causes for more conflict. More important, I believe, that as

we conclude this journey, I can say that while the problems ahead are still enormously difficult, while the steps that we have taken, though important and very difficult because they were the first steps, nevertheless are only the beginning of a much longer journey.

This is the last stop on a very long trip, but it is only the beginning of a much longer journey, a journey which, we trust, in the end will bring us to the goal of a just and lasting peace in this part of the world, because that peace will serve not just your country, Your Majesty, not just the other nations who are your neighbors, but it will serve all nations in the world, and that is what we all desire.

And finally, may I say that we, speaking in behalf of all your American guests, we express appreciation for the welcome you have given us, and we look forward to the time when we can return, return to visit with you again. And we trust that when we do return, the goal that both you and I have talked about for so many years that we have known each other, the goal of a just and lasting peace, will have been achieved.

NOTE: The President spoke at 4:10 p.m. at Amman Airport.

King Hussein responded as follows:

Mr. President:

It is a very high honor indeed for me to speak on behalf of all the people of Jordan in these moments to thank you, sir, for visiting with us, to salute anew one of the greatest men of our time, not only in terms of your courage and wisdom but particularly in terms of your dedication to the cause of peace, not only in

this part of the world but in the world as a whole, and the betterment of mankind.

It is an honor for me to have had the opportunity to welcome you to Jordan, on behalf of the people of Jordan, as the great President of the United States of America.

Our pride has been enormous over the years in the very close relations of friendship and cooperation that have existed between us. It has indeed been a "Journey for Peace," and may we wish you, sir, from our hearts, every success in your future endeavors along the path of peace.

May I assure you that we will ever be proud to cooperate most closely with you, sir, and with your government, for the eventual establishment of a just, honorable, and durable peace in this part of the world that could be our present for a better life and a better future for the generations that will follow us.

On behalf of the Queen and for myself and on behalf, in particular, of every member of our Jordanian family, we wish you continued success, sir, in your great mission in leading the great people of the United States, and we look forward to a time when we might meet again in Jordan.

We hope we will be more fortunate in terms of a longer period of time. So many of my countrymen throughout my country wish to show you our accomplishments and have the opportunity to show their feelings towards you.

Let's hope that in the future we will have another chance. It has been an honor to welcome you, sir, and Mrs. Nixon. We wish you a safe journey home and every continued success, and God bless you.

Earlier in the day, the President and Mrs. Nixon called on members of the Royal family and Prime Minister and Mrs. Zayd al-Rifai at Zahran Palace in Amman. They then attended a "Beating of the Retreat" at 4th Division Headquarters.

190 Remarks on Arrival in the Azores.

June 18, 1974

Mr. President:

I am very pleased that our first stop after returning from the Mideast is in this friendly country of Portugal, and I look forward to the first opportunity to have a talk with you about our mutual relations between two countries that have such a close, friendly relationship.

PRESIDENT ANTÓNIO DE SPÍNOLA. I am

also very happy to have this opportunity to meet with the President of the United States, the first chief of state I meet after the events of the 25th of April.

THE PRESIDENT. I am very honored.

NOTE: The President spoke at approximately 8:30 p.m. at Lajes Field.

President Spínola spoke in Portuguese. His remarks were translated by an interpreter.

191 Remarks at the Conclusion of Discussions With
President António de Spínola of Portugal.

June 19, 1974

Mr. President:

As you have stated, we have just had a very constructive exchange of views with regard to mutual problems that our two countries face.

In coming to Portugal, I feel that I have had the opportunity to visit with a new friend and also to renew an old friendship, the friendship between our two countries.

A great challenge faces the President and his government at this time. I think that challenge can best be described by some symbolism. A very strong wind is blowing across these islands today, and the winds of political change have never blown stronger all over the world than they are today.

What we must all understand is that change by itself, however, is not something that is necessarily good. Change that sweeps away what was obsolete and what may have been wrong in the past is, of course, what we consider beneficial. But then new institutions must be created.

And that is often the most difficult problem involved when these changes occur, not the sweeping away of what was bad in the past, but the building of something new to take its place.

President Spínola is one of those rare leaders who recognizes this problem and this challenge. And I have assured him that he will have not only the understanding of the Government of the United States but, to the extent that we are able, our support in meeting the challenge, because an independent, free, prosperous Portugal is vital not only to the Atlantic Alliance but vital also to the interest of the United States as well as to the interest of the people of Portugal.

And I can assure all of those who are in this country that the United States will continue to be a good friend and a trusted ally of Portugal and that we look forward to working with President Spínola toward the great goals he has set for his government.

And Mr. President, finally, I want to

express on behalf of all the American party our deep appreciation of the warm hospitality that you and others from your government have extended to us as we have stopped here after a very long and arduous trip to the Mideast.

NOTE: The President spoke at approximately 1 p.m. at the Portuguese Officers Club, Lajes Field, in response to the remarks of President Spínola.

President Spínola spoke in Portuguese. His remarks were translated by an interpreter as follows:

I can state that the working session that has just been completed between the Presidents of the United States and Portugal took place in

an atmosphere of the greatest cordiality, in which the positions of the two countries regarding the present situation were very clearly stated.

A very important factor underlying the success of these talks was a total identity in the thinking regarding a staunch defense of peace, the respect for the democratic principles and the hallowed principles that underlie the right to self-determination of peoples, which is expressed in the free will of those peoples regarding the choice of their destiny.

There was also an exchange of views regarding the needs of Portugal in the areas of co-operation as well as technical, economic, and financial support which would enable Portugal to be economically on a par with the other countries in Europe.

192 Statement on Departure From the Azores.

June 19, 1974

I AM DELIGHTED that our trip to the Middle East has given us the unexpected but very welcomed opportunity to begin a new friendship with President Spínola and to renew an old friendship with the nation he represents.

Although our talks this morning were brief, President Spínola and I were able to review all of the major issues affecting relations between the United States and Portugal and to touch upon many larger issues as well. A major topic of our discussion was the importance that the United States attaches to Portugal's contribution to NATO and to Western security. In addition, I was pleased that in our meeting, President Spínola told us in the most convincing terms of the desires of Portugal for even stronger and closer ties with the United States. We welcome her friendship, just as we welcome the friendship of all other nations.

This meeting has also served as a valu-

able reminder that the challenges of peace are not isolated to any single area of the world. A truly effective structure of peace must embrace every area of the world, convincing every nation that its dreams can only be realized in peace and not in war.

For the last 6 days, we have been preoccupied with the problems of the Middle East. I outlined to President Spínola the results of the trip we are now concluding and emphasized our irreversible commitment to continuing an active, constructive role there.

But now, as we return to the United States, we will refocus our attention on two other crucial areas of the world: Europe and the Soviet Union. Next week I will travel to Brussels for meetings with heads of state from the NATO alliance. I will then go on to Moscow for our third summit meeting with Soviet leaders. Both of these visits are an essential part of our

continuing efforts to reduce tensions around the world and to solve problems through negotiation, not confrontation.

To President Spínola and to the people of Portugal, we extend our grateful thanks

for our present and fruitful visit to the Azores, and we pledge our continuing friendship in the future.

NOTE: The statement was released at Lajes Field, the Azores.

193 Remarks on Returning From the Middle East.

June 19, 1974

Mr. Vice President, members of the Cabinet, and all of you who have been so very kind to come out and welcome us back after our trip to the Mideast:

It is hard to realize that over the past 9 days that we have had the opportunity to meet with the leaders of five countries of the Mideast, as well as the President of Portugal and the Prime Minister of Austria.

As I have said, this trip now comes to an end, but it is only the beginning of a much longer journey, a journey that will be difficult, a journey that has many pitfalls potentially in it, but one that is worth taking, a journey on which we are embarked and on which we will continue, a journey toward a lasting peace, not only in the Mideast but all over the world.

Let me say, too, that with regard to the trip itself, at this point in our relations with the nations in that area, some observations, I think, can be made.

I have, over the past 21 years, visited that area on several occasions, and I would say that a profound and, I believe, lasting change has taken place in these respects:

First, where there was no hope for peace, there is now hope.

Second, where there was hostility for America in many parts of that part of the world, there is now friendship.

Third, while we did have the opportunity to meet new friends in Egypt and in

Syria, we were able to reassure old friends in Israel and in Saudi Arabia and in Jordan.

What this all adds up to, of course, is not that we have instant peace as a result of one series of negotiations or just one very long trip, but what it does mean is that we are on the way. And it does mean, too, that we must dedicate ourselves to stay the course, as the Vice President has indicated, to stand tall until we reach our goal.

Also, I would like to say a word with regard to those television clips I am sure many of you saw, of literally millions of people in Cairo and Alexandria and Damascus, and in Jidda, in Jerusalem, and in Amman—millions of people welcoming the President of the United States and his wife.

What did this mean? What it really meant was not a welcome in a personal sense, but it meant something far more significant. It meant very simply that millions of people in that part of the world who have known nothing but poverty and war for the last 30 years desperately want peace and they want progress. They believe that America wants peace and progress, not only for ourselves but for them, too. They believe that we will help in achieving peace and progress without exacting the price of domination over them.

In other words, what those people were

saying to us and what we convey to you, our fellow Americans all over this great Nation, is that for millions and millions of people in that part of the world, there is trust for America, there is respect for America and really some very strong affection for America.

I would say, as we conclude this part of this very long journey, we must not let these people down. We must help, because America must play and will play the crucial role in continuing the progress toward peace and continuing also to build on the foundations of these new relationships with nations where those relationships have been broken in times past.

Waging peace is, in fact, more difficult than waging war because it is more complex—the goal sometimes one loses sight of as he becomes involved in the tactics that are necessary to achieve that goal.

But while waging peace is more difficult than waging war, I think, as all of us realize, the rewards are infinitely greater. And I think on this day that every American can be proud that his country, in that part of the world and, I would say, in most of the world, is trusted as a nation which first has the responsibility to lead toward achieving the great goal of progress and peace for all peoples, but also we can be proud of the fact that we are not backing away from that responsibility.

Let us be worthy of the hopes, of the trust of millions of people that most of us will never meet. This is a great goal.

Thank you.

NOTE: The President spoke at approximately 4:35 p.m. on the South Lawn at the White House.

Vice President Gerald R. Ford had welcomed the President as follows:

Mr. President, Mrs. Nixon:

It is a great privilege and honor for me to

have the opportunity of welcoming both of you back on a very successful peace mission, which you have accomplished with great dignity and distinction.

When you left a few days ago, there was some apprehension in some quarters that this vitally important mission might not achieve the objectives that we all hope for, but I think, as we have followed your journeys in five countries, we have seen that the actions taken by you have cemented the great accomplishments of the Secretary of State during his negotiations.

The welcome given to you and Mrs. Nixon in five countries is a tribute to you, Mr. President, to Mrs. Nixon, and I think to the American people.

Over the years, it has been my privilege, Mr. President, to welcome you back on a number of peace missions that you undertook. I was in the group that welcomed you when you came back from the Soviet Union in 1972, when you came back from that historic mission to the People's Republic of China.

In each and every case, there have been solid achievements leading us and the world down the road of peace. Of course, it has been wonderful to see, as we did, Mrs. Nixon, not only on this trip but other trips, where she actually charmed and captivated the people of all countries.

Mr. President, I think it is fair to say that Mrs. Nixon could now be called the First Lady of the World.

Mr. President, about 10 days ago, I was here with many others to wish you Godspeed. Our prayers were with you at that time, and I think it might be appropriate now to quote from that Biblical injunction: Blessed is the peacemaker.

Mr. President, the American people know that the road to peace is long and very, very difficult, but the American people historically have stood tall and strong as they met the conflicts on the battlefield. I am just as confident, Mr. President, that the American people will stand tall and strong as they now move forward in the efforts to achieve the peace that you have worked so strenuously to lay the groundwork for, not only in the Middle East but in Europe and in Southeast Asia.

The American people will be united. They

will be tall, and they will back you as they have in the past, in seeking the peace that is sought by all.

There is an Arabic saying that goes something like this, and I hope I can quote it correctly: May Allah make the end better than the beginning.

It seems to me that this welcome here is

indicative of the attitude that the American people have in all 50 States. They appreciate your accomplishments, they appreciate what you have done for America, and they are grateful for the foundation that you have laid for a lasting peace in the world as a whole.

We welcome you back and are glad you are here.

194 Letter Accepting the Resignation of Peter M. Flanigan as Assistant to the President. *June 24, 1974*

Dear Peter:

It is with the deepest regret and a personal sense of sadness that I accept your resignation as Assistant to the President and Executive Director of the Council on International Economic Policy, effective on a date to be determined.

While I have long known of your intention to return to private life, nevertheless, I am always reluctant to see so valued a friend and associate depart. You know of my profound admiration for your splendid achievements over the past five years, and I shall not dwell on them at length. Let me say, however, that of the many men and women who have served our Administration, few can match—and none exceed—the exceptional skills, energy and dedication you brought to your duties.

Through our early association in the campaigns, your work from 1969 to 1971 in the domestic field and, still more recently in the area of international economics and trade, I have always had full confidence in your abilities to deal with complex problems with immense effectiveness and unfailingly good judgement. It is with a particular sense of satisfaction that I recall the key roles you have played in such diverse areas as the transition from the draft to an all-volunteer armed forces,

and the progress we have made toward reform of the international economic system. Throughout, we have shared a common commitment to a strong and prosperous America in a world at peace, and it has been a constant source of reassurance to me to have your assistance and productive support in these efforts. I shall always treasure your loyal friendship and your superb service to our Party, this Administration and to our Nation.

As you depart, I want you to know how much I appreciate your offer to devote part of your time in the future to public service. You may be certain we will take advantage of your generosity. Pat joins with me in extending to Brigid and you our heartfelt good wishes for every success and happiness in the years ahead.

Sincerely,

RICHARD NIXON

NOTE: The text of Mr. Flanigan's letter of resignation, released with the President's letter, read as follows:

Dear Mr. President:

Since the formation of New Yorkers for Nixon in 1959, my participation in your campaigns and in your Administrations has been the most stimulating and rewarding experiences of my life. I am grateful for the opportunity to serve the Nation, and proud that the opportunity has been as part of your Presidency.

You may recall our conversation at Camp

David over a year ago when I said that the time had come for me to return to private life. You urged me to delay that decision for a few months. The months having become more than a year, the reasons for my departure have become more pressing. Therefore, I hereby submit my resignation as Assistant to the President and Executive Director of the Council on International Economic Policy, to be effective at your earliest convenience.

Again, Mr. President, let me thank you for

the opportunity of serving you and your Administration. I will always consider that, and your trust in me that it indicates, a high honor. And I will cherish the knowledge that I have had a part in the great contributions, both at home and in foreign affairs, which you have made for our Country. If at any time in the future I can, in my private capacity, be of further service, I would be pleased to do so.

Sincerely yours,

PETER M. FLANIGAN

195 Remarks on Signing the Colorado River Basin Salinity Control Act. *June 24, 1974*

IN ADDITION to the Members of the House and Senate who have been responsible for this legislation, we have the Ambassador from Mexico. The Ambassador is here because this legislation carries out a commitment that I made with President Echeverría in 1972¹ with regard to trying to solve the problem that has been a very difficult one between the United States and Mexico, going way back to the 1960's.

Special Ambassador Herbert Brownell worked on the problem for the United States, and an agreement was reached. The agreement required, of course, action by the Congress, and the Congress has acted responsibly. And as a result of the action of the Congress and the cooperation of both of us, the United States and Mexico have now reached an agreement which will be implemented on our side to improve the quality of water that Mexico receives from the Colorado River and which will also provide for certain projects in the United States which will deal with the necessity for maintaining adequate water supplies in the Colorado River Basin

where it does affect the United States of America.

I want to congratulate the Members of the House and the Senate who have worked on this legislation. It was extremely difficult and has been very controversial. When one goes to Arizona or Wyoming or Colorado or others affected by this legislation, I have known over the years, certainly in the sixties, that I have heard that there was no answer to it. And now we have at last found what we believe is a fair end to it, fair to Mexico and fair also to those States in the United States that are affected by it.

So, I shall now sign the legislation with very great pleasure. This is the way international relationships should operate. Where both nations act with good faith, we can find peaceful solutions to very difficult problems.

Mr. Ambassador, we usually give the original pen to a Member of the House or the Senate upon the signing of the legislation. But in view of the fact you are here, I would like to give you this pen, with which this historic legislation was signed, for presentation to the President of Mexico.

¹ See 1972 volume, Item 203.

NOTE: The President spoke at 12:30 p.m. in the Oval Office at the White House.

As enacted, the bill (H.R. 12165) is Public Law 93-320 (88 Stat. 266).

In his remarks, the President referred to

José Juan de Olloqui, Mexican Ambassador to the United States, and Herbert Brownell, the President's Special Representative for the Resolution of the Colorado River Salinity Problem With Mexico.

196 Statement About the Colorado River Basin Salinity Control Act. *June 24, 1974*

THE COLORADO River Basin Salinity Control Act represents an important milestone in the cordial and continuing international relationship between this Nation and our neighbor to the south, Mexico. Enactment of this legislation will enable the Federal Government to implement measures that will provide Mexico with water of a higher quality than it presently receives from the Colorado River.

The quality of Mexico's Colorado River water has been recognized as a serious problem by both governments since the early 1960's, when water resources development within the U.S. portion of the Colorado River basin resulted in significant increases in water salinity levels at the international boundary. A number of measures were undertaken to ameliorate this portion but did not result in a permanent solution.

In June 1972, during his visit to this country, I gave President Echeverría my personal commitment that every effort would be made to find a mutually satisfactory solution to this problem. I appointed Ambassador Herbert Brownell as my special representative to study alternative ways of resolving the problem. The plan recommended by Ambassador Brownell and approved by me formed the basis of an agreement with the Mexican Government and would be implemented through those measures included in this bill. This permanent and definitive solu-

tion to the salinity problem was accepted over others because it represents an equitable arrangement for the water users in the Mexicali Valley, while not creating adverse effects on current and planned use of the resources of the Colorado River by the seven basin States within the United States.

The Colorado River Basin Salinity Control Act demonstrates that difficult problems between nations can be satisfactorily solved if those nations are willing to negotiate in good faith. This has been a key concept in our foreign policy. I congratulate the Congress of the United States for its expeditious action in passing this legislation and look forward to cooperation with the Congress in implementing this agreement.

In addition to those measures necessary to carry out the international agreement with Mexico, the Congress has authorized several domestic salinity control projects for the Colorado River basin. While I share the desire of the Congress to improve the water quality conditions of the Nation's rivers and waterways, I am concerned that authorization of the four U.S. desalting projects may be premature at this time.

As called for by current Federal water pollution control legislation, the States are now assessing water pollution problems arising from natural or diffuse sources of pollutants. These State studies

will be completed early next year and will serve as the basis for consideration of a national program for combating these sources of pollution. These domestic Colorado River desalting projects are premature because they have been authorized before the Federal role in a national water pollution program could be properly developed on the basis of these current State studies.

Also, the financial arrangement for the development of these projects is, to a large extent, contrary to those policies estab-

lished by this Administration and the Congress for placing most of the financial responsibility for pollution abatement on those who are causing the pollution problem or, in the case of natural pollution, placing the cost of water purification on the water users. When a national Federal program for controlling pollution of this kind is finally developed, I will recommend to the Congress that these Colorado River projects be altered if necessary to conform with these policies.

197 Statement About Restraint in Federal Expenditures.

June 24, 1974

THE MOST effective weapon for combating inflation, as I have said repeatedly, is a policy of fiscal and monetary restraint by the Federal Government. Recent increases in consumer prices, while disappointing, only serve to reemphasize the importance of rigor and patience in sticking to that course.

In pursuit of this objective, I have just completed a review of our budgetary policies with my chief economic advisers. It now appears that the deficit for the fiscal year ending this Sunday will be much lower than forecast earlier this year. The overall deficit for the year should be approximately \$3 billion, which is \$2 billion less than forecast.

At my request, Counsellor Rush, the Director of the Office of Management and Budget, and my other key advisers are determining ways by which we can hold down Federal expenditures for the next 2 fiscal years. We are doing everything we can, under existing legislation, to restrict expenditures in fiscal year 1975 to no more

than \$300 billion. That figure would be about \$5 billion less than our most recent estimates and, if achieved, would also reduce the projected deficit for that year from approximately \$11 billion to \$6 billion.

For fiscal year 1976, our objective is to bring the budget into balance. In early July, the Director of the Office of Management and Budget will be sending new guidelines to the departments and agencies to achieve that goal.

All of these projections for the Federal budget should be good news for family budgets, but I would stress that they can be realized only if both the Administration and the Congress exert a maximum effort to hold the line. Within the executive branch, we are determined to do everything we can to hold expenditures to a reasonable minimum.

We hope that the Congress will fully cooperate in this effort by rejecting wasteful and inflationary proposals and by resisting suggestions for a tax cut. All of our

efforts to conduct an anti-inflationary fiscal policy by holding down expenditures could be quickly frustrated by irresponsibly cutting taxes.

One of the continuing concerns of both the executive and legislative branches must be the rapid growth of "uncontrollable" items in the budget. I am advised that approximately 75 percent of the total outlays for fiscal year 1975 are relatively uncontrollable under existing legislation and that some 90 percent of the increases in spending between the 1974 and 1975 budgets are of this same nature. Although well-intentioned, these items build rigidities into the budget system that make it much more difficult to hold the line on spending.

My recent trip to the Middle East confirmed that the nemesis of inflation is not only widespread in its impact but is also foremost among the concerns of the world's leaders. Growth in economic output is simply not keeping up with the rapid growth in world demands. As part of our effort to increase supplies, at my direction Counsellor Rush and the Chairman of the Council of Economic Advisers have set up a high-level group to evaluate present shortages.

But just as the problems of peace do not lend themselves to instant solutions, the problems of the world economy will also be difficult to overcome. We do not foresee a quick end to inflation. The most recent figures on consumer prices indicate that there are still many risks ahead and that even the lower inflation rate we anticipate by the end of the calendar year will be higher than we would like.

It is clear, nonetheless, that the present policy of fiscal and monetary restraint is the surest means of coping with inflation. It will take time, but it will work if we have the patience and discipline to make it work.

NOTE: The statement was released following the President's meeting with his economic advisers in the Oval Office at the White House. Attending the meeting were Kenneth Rush, Counsellor to the President for Economic Policy; Alexander M. Haig, Jr., Assistant to the President; William E. Simon, Secretary of the Treasury; Roy L. Ash, Director of the Office of Management and Budget; Herbert Stein, Chairman of the Council of Economic Advisers; and Arthur F. Burns, Chairman of the Board of Governors of the Federal Reserve System.

On the same day, the White House released the transcript of a news briefing on the President's statement by Mr. Rush.

198 Remarks on Departure for Belgium and the Soviet Union.

June 25, 1974

THE WHITE HOUSE

As you probably know, the official sendoff will be at Andrews this morning. But I am delighted to see all the members of the White House Staff up bright and early working. And I do want to wish you the very best over the Fourth of July. I

hope it is very good weather wherever you are, whether here working or whether some other place where you may go for a vacation. In any event, we know that we go on these trips and wish all of you could go along. But you are with us in spirit, and that helps a great deal.

ANDREWS AIR FORCE BASE

Members of the Cabinet, members of the diplomatic corps, and ladies and gentlemen:

I first want to express my appreciation to all of you for taking the time to come out to see us as we take off on another journey for peace. This time, we go first to Brussels, as you know, and then to Moscow.

Our purpose in Brussels will be to meet with old friends and to renew our support of the great NATO alliance which for 25 years has been responsible for and indispensable for keeping the peace in Europe. We expect to give new purpose and new direction to that alliance on the occasion of visiting with the heads of government of most of the NATO countries.

From Brussels, we go on to Moscow. There, we shall have the opportunity to meet again with General Secretary Brezhnev and his colleagues. The purpose of this summit meeting, as was the purpose of the other two—the first in Moscow 2 years ago, and in Washington and in other parts of the United States last year—is threefold: first, we expect to strengthen the bilateral relations between the two strongest nations in the world; second, we hope to develop areas of cooperation to displace confrontation in other critical areas of the world that might be those places where conflict could develop between the two great powers; and third, we hope to make more progress on a goal that we began to achieve and move forward toward in 1972, of limiting both the burden and also the threat of nuclear arms over our two nations and over the world generally.

These are very great goals, and like all great goals, they are very difficult to

achieve, just as was the case of the goals we sought to achieve on our first trip to the Mideast. But we are confident that when we look at these goals, not only must we seek to achieve them but we believe that we can achieve them, because when we speak of the two strongest nations, the Soviet Union and the United States, cooperation between these two great peoples is indispensable if we are to build a structure of peace in the world that will last.

And we know that with American strength, American resolve, and above all, American determination and dedication, that we will be able to make progress on this long but vitally important "Journey for Peace," not only for America but for all mankind.

We have appreciated particularly the messages that we have received before each of these trips from people all over America, because your prayers, your good wishes for our success means that the American people, the great majority, are united behind the efforts we are making to attempt to resolve differences that otherwise would lead to a runaway arms race, that otherwise would lead to confrontation not only between two great powers but all over the world, that otherwise would dash all the hopes and the ideals that Americans have had from the beginning of this country, the ideal of a world of peace so that we can devote the energies of all great peoples to the works of peace and not simply to preparing for war.

Thank you.

NOTE: Following his remarks at 8:12 a.m. on the South Lawn of the White House, the President and Mrs. Nixon left by helicopter for Andrews Air Force Base, Md., where he spoke at 8:32 a.m.

199 Remarks on Arrival at Brussels, Belgium.

June 25, 1974

Your Majesty, Mr. Secretary, and all of our distinguished guests:

Your Majesty, I wish to express our grateful appreciation for your gracious welcome, and also for your eloquent words with regard to the hopes we all share for building a structure of peace in the world.

And it is indeed an honor for me to join with my colleagues in the Atlantic Alliance in tomorrow reaffirming our dedication to the great principles of that alliance. What we must all recognize is that the Atlantic Alliance has been indispensable in keeping the peace in Europe for the past 25 years.

As you have noted, this visit to Brussels comes midway between two other visits, the first to the Mideast and the next to the Soviet Union. It is significant that this is the case, because this symbolizes the central role that the Atlantic Alliance plays in pursuing our goal of a lasting peace in the world. Without the Alliance, it is doubtful that the détente would have begun, and without continuing a strong alliance, it is doubtful if the détente would continue.

It is also very significant that this meeting will take place in Brussels, now the capital of Europe, and in Belgium, a nation which has suffered so much in two World Wars. And I am sure that all of those attending the meeting tomorrow will have in their hearts these sentiments that we wish that whatever we do there and whatever decisions we make and whatever we say may contribute to the goal we seek, not only for each of our own countries but for all nations in the world, a peace that will last.

NOTE: The President spoke at approximately 8:40 p.m. at Melsbroek Military Airport in response to the remarks of welcome by King Baudouin. Following the President's remarks, NATO Secretary-General Joseph Luns spoke.

The remarks of welcome by King Baudouin and Secretary-General Luns were as follows:

KING BAUDOUIN

Mr. President:

Because Belgium has for several years been the headquarters of the North Atlantic Treaty Organization, during which time it has also been the host of the European Communities, it is my duty and pleasure to welcome you again this evening on the soil of my country.

You have just completed a tour in the Middle East in the course of which the happy results of untiring diplomacy have been confirmed. We all hope that the efforts made will be the prelude to final peace in that region.

In 2 days' time you will be in Moscow, where you will carry on conversations the outcome of which is important for us all. Before starting them, you have desired not only to come here to sign the Ottawa Declaration of Atlantic Relations, which again precisely states our convergent objectives, but also to make confident contacts with the heads of the governments of friendly and allied nations in order to explain your views and obtain their opinion.

We are delighted with the action you have taken. It shows once more that however much times may change, there is still between our peoples the same fundamental understanding based on so many common memories, and so many peaceful contests or deplorably cruel battles waged side by side, and on faith in the same essential values.

Mr. President, throughout the world all men feel increasingly bound together by the same destiny. We know that they eagerly wish hostilities to cease, tensions to be reduced, and a just and lasting peace to be established.

We wish you and Mrs. Nixon a cordial welcome and express our hopes for the success of the work we shall carry out together.

SECRETARY-GENERAL LUNS

Your Majesties, Mr. President:

It is with very great pleasure that I welcome you, Mr. President, on your arrival in Brussels for the forthcoming high-level meeting of the North Atlantic Council.

It is 5 years since you last sat in the Council that was in Washington. Then, you spoke of entering into negotiations with the Soviet Union on a wide range of issues on the basis of full consultation and cooperation with American allies.

In the 5 intervening years, aided by your distinguished Secretary of State, you have given dramatic effect to that policy.

As His Majesty has just remarked, you come from the Middle East, where your journey has

opened new prospects for the future in that area and for the world at large. You go on to Moscow to take one more step along the road of negotiation with the Soviet Union.

Tomorrow you will consult with your friends and allies and sign with them the Declaration on Atlantic Relations. Your visit will once again mark a page in the history of the Council and of our Alliance.

Later in the evening, the President and Mrs. Nixon called on King Baudouin and Queen Fabiola at the Royal Palace. The President then met at the Royal Palace with Belgian Prime Minister Leo Tindemans and Foreign Minister Renaat Van Elslande.

200 Statement About Signing the Energy Supply and Environmental Coordination Act of 1974.

June 26, 1974

I HAVE signed H.R. 14368, the Energy Supply and Environmental Coordination Act of 1974. This bill represents a first step by the Congress toward achieving a balance between our environmental requirements and our energy requirements. While the Congress has begun to address the complex problem of reconciling these two priorities, it must be clear that this step is only a beginning and that more remains to be done.

This bill provides two principal authorities. First, the bill amends the Clean Air Act by extending for up to 2 years the automotive emission standards that currently apply to 1975-model, light-duty vehicles and engines. This amendment will provide additional time for the development of emission control technology and permit manufacturers to focus attention on improving automobile fuel economy.

Second, the bill provides authority for a limited program to convert powerplants

and other major fuel-burning installations from the use of petroleum products and natural gas to the use of coal. This authority represents a step in the right direction, but it does not provide a basis for the long-term program of coal conversion necessary to achieve our goal of developing the capacity for energy self-sufficiency.

As I indicated to the Congress in my January 23, 1974, energy crisis message, the Clean Air Act has provided the basis for major improvements in air quality, and we must continue our progress toward even greater improvement. It has become clear, however, that certain requirements established by the act cannot be achieved within the deadlines allotted, and others have unacceptable economic and social implications.

A thorough review of the Clean Air Act was undertaken by the appropriate executive branch agencies. Following that re-

view, EPA Administrator Russell Train submitted proposed amendments to the Clean Air Act to the Congress on behalf of the Administration.

Since the bill that I have signed deals in only a limited way with the problem of insuring that our environmental priorities and our energy needs are managed

evenhandedly, I urge the Congress to review the Administration's proposed amendments and to act quickly and favorably upon them.

NOTE: As enacted, H.R. 14368, approved June 22, 1974, is Public Law 93-319 (88 Stat. 246).

201 Toasts of the President and King Baudouin of Belgium at a Luncheon in Brussels. *June 26, 1974*

Your Majesty, my colleagues from the Atlantic community, and distinguished guests:

Your Majesty, we are all most grateful for your eloquent remarks, and we can think of no more appropriate place or time in which to celebrate what in effect is an anniversary.

As I stand in this place, I think back 5 years when you so graciously hosted a luncheon on my first visit to NATO. I think back over what has happened over those 5 years. It is perhaps safe to say that more profound changes have occurred in the world in those 5 years than have occurred in any peacetime period in this century.

There has been the opening of a dialog between the United States, as well as other nations, but between the United States and the People's Republic of China, where one-fourth of all the world's people live. We have substituted for a period of confrontation with the Soviet Union a period of negotiation. And other nations as well in the European and Atlantic community have done so.

The very long and difficult war in Vietnam has ended, and most recently, developments have occurred in the Mideast

which, while only a first step, are nevertheless a most hopeful step toward a goal that every nation around this table represented has an interest in—the goal of a permanent and just peace in that critically important part of the world.

And as we look over those 5 years of developments, we, of course, can see how much the world has changed. We also can see how much the world can change and be changed in the future, provided we continue the strength, the purpose of this great Alliance, without which most of these great initiatives could not have been undertaken and would not have succeeded.

Today in the brief talks I have had with some of my colleagues in the Atlantic community and also in the meeting this morning, the plenary session, I have heard raised, very justifiably, the issues that are on the minds of every leader in the industrial, more advanced nations of the world today—the problem of inflation, the problem of energy, the problem of international monetary matters, balance of payments—economic problems generally.

And of course, all of us are recognizing the fact that in various nations, in addition to economic problems, there are the

continuing political problems which will always be present in free societies.

If we look at those problems that we presently confront, by themselves and at the moment, they seem overwhelming. But today, around this table, we can be thankful that the problems we face today, as distinguished from 5 years ago, are primarily the problems of peace rather than the problems of war. And this is progress.

It is progress, although it does not mean that the task we have as leaders is easier, because in fact, it is more difficult, more difficult because peace is not something that is achieved at a certain time and then signed and sealed by a treaty which brings it into being.

Peace is a process in which agreements and treaties and understandings must continually be made and continually be reaffirmed, whereas in the case of war, once it ends then peace in the sense of absence of war begins as the result of the signing of a document or some other kind of agreement.

And so, to those gathered here on this historic occasion, I recognize, as all of you recognize, that the challenges that we confront today in building a structure of peace are as great in their way, and in some ways more great because they are more complex than the challenges of leading nations in war.

This is an anniversary, a 25th anniversary, and usually we think of an anniversary as an end of an era; this, I think, we would all rather think of as the beginning of an era.

This great Alliance, in its first 25 years, came into being and was indispensable for the purpose of saving freedom and preserving the peace in Europe. This Alliance, for the next 25 years, will have a greater goal and a broader one of pre-

serving freedom wherever it exists, but also of building a structure of peace, not only for Europe and the Atlantic community but for all the world. This is a great goal for an alliance and it is a great goal to which all of us as leaders can be proud that we are dedicated to it.

I think, for example, back 15 years when a very young, but very wise king addressed a joint session of the Congress of the United States, when I was then—I thought I was—a young Vice President presiding along with the Speaker over that session. And I remember well what he said. He said that it takes 20 years of peace or more to make a man. It takes only 20 seconds of war to destroy him.

And so, when we think of peace, we are thinking not only of ourselves—looking back on the years we have been privileged to serve our nations—but we are thinking of generation upon generation of young people all over this world, young people who have not known a full generation of peace in this century, young people who live in nations who share totally different philosophies from ours, but young people with the idealism, with the hopes, with the drive that is so characteristic of youth wherever they are in whatever nation anyplace in the world.

And we, in this great community of ours, can be proud that for the past 25 years, we have served the cause of preserving peace. For the next 25 years, we can broaden that cause, as I have indicated, to serve the cause of peace not only for Europe and the Atlantic community but for all mankind.

When I spoke at the beginning, of the new relationships that have been developed between the People's Republic of China and, for example, the United

States, between the Soviet Union—where I will be tomorrow—and the United States, I did not intend to leave with this distinguished company or any others who may listen to these words, any illusions.

We live in a world where there are still deep and basic differences about philosophy. We live in a world, however, where whatever those differences are, statesmen must find ways to solve them without resorting to the use of force that could destroy civilization as we know it.

When we negotiate, for example, with the Soviet leaders, we can and will negotiate on such matters as arms control, on troops, on European security, on trade, on health, on the environment, on energy. But there is one thing that is not negotiable, and that is the great principles that are the foundation of the Atlantic community, principles of freedom, of justice, principles which we have inherited in many instances, and some have acquired, but principles which we deeply believe in, must be defended and, we trust, preserved for generations to come.

That does not mean to suggest that those we negotiate with will not have the same determination to stand by their philosophies and their principles as we will by ours.

What it simply does mean is this: that in the world in which we live with the nuclear power that overhangs it, there is no alternative to peace, there is no alternative to negotiation.

And you can be sure that as far as we are concerned, we not only will consult with our allies in this great Alliance before but also afterwards to make sure that our negotiations serve not only the cause of peace but also the cause of freedom and everything it means to those who are privileged to be members of this great

Alliance.

Your Majesty, we are grateful for the hospitality that you have extended to all of us who are members of this community, and consequently, it is for me a very great honor on behalf of all of my colleagues in the Atlantic community to respond to your remarks and to propose a toast. But before doing so, I should like to add one word about the sometimes unsung heroes in this whole area of negotiations, communiques, declarations, and the rest.

When history is written many years from now, it may well be said—it probably will be said—that the leaders of nations were the architects of peace. That may be true; it may not be true. But of this I am sure, and every one of my colleagues in a position of head of a government, I am sure, will agree: While the leaders and the heads of government may be the architects of peace, the builders of peace are their ministers, the foreign ministers, and all of the others around this table who devote their lives to the art of diplomacy, to carrying out whatever programs or policies will contribute to a goal of peace for not only our time but for all times to come.

And so then, on behalf not only of my colleagues, the architects, but also on behalf of all those who are here, the builders of this new world which, we trust, will be a world of peace, I ask you to raise your glasses to our host, His Majesty, the King.

To the King.

NOTE: The President spoke at approximately 2:30 p.m. at the Royal Palace in response to a toast proposed by King Baudouin.

On the same day, the White House released the transcript of a news briefing by Secretary of State Henry A. Kissinger on the President's impending trip to the Soviet Union.

King Baudouin began his remarks in French. They were translated by an interpreter as follows:

Mr. President, Your Excellencies the heads of governments, and gentlemen:

It is a great pleasure for me cordially to welcome you to Brussels, the headquarters of the North Atlantic Treaty Organization.

You have, this morning, signed the important declaration,¹ which the Atlantic Council approved a few days ago at Ottawa and have thus, on the occasion of its 25th anniversary, drawn attention to the youth and vigor and cohesion of the Alliance.

On April the 4th, 1949, President Truman declared, when the Washington treaty was signed, that "For us, war is not inevitable. We do not believe that there are blind tides of history which sweep men one way or another. . . . Men with courage and vision can still determine their own destiny."

We, today, who no longer feel afraid, can estimate how much the situation has changed. What was happening 25 years ago now appears to be as far behind us as would the events of a period we had not lived through.

The panic in which our defense was hastily set up so that we might survive has given way to a feeling of security which goes so far as to make us skeptical about the existence of any danger.

By their determination and by the choices they made, the men with vision, of whom Mr. Truman spoke, have allowed our younger people to have no experience of war. They have also rejected the old rules of political action under which fixed purpose often took the place of law and power that of ethics.

By entering into a system of collective defense, Belgium has made a fundamental option in order to avoid a recurrence of the wars which, twice within 35 years, had ravaged the country, to participate in the quest for a lasting

peace and to foster the construction of a united Europe.

Owing to the safeguard provided by the solidarity and indivisibility of our defense, it is possible to conduct a policy whose primary objective is peace and, more particularly in Europe, the pursuit of understanding and co-operation with all the countries of the Continent.

To be sure, the Alliance is not altogether identical with defense. Since a few years ago, a correlation has been established between the notions of defense and détente. They had, until then, been separate.

Defense for its own sake seemed to exclude détente. The outcome of détente seemed to be to destroy defense. Since then, the delicate threads which bind them together and strengthen the significance of them both have been grasped.

Without defense, there can be no equilibrium of forces, and no coexistence is possible. Without détente, there can be no progress towards peaceful solutions. The Atlantic Treaty, which is an instrument of security, thus appears as a combination of forces tending to peace.

Belgium, moreover, has always hoped that, in the spirit of friendship and solidarity which ought to mark the relations between allies, the progress made as regards the political unification of Europe should favor the establishment of a transatlantic dialog between two equal partners.

[At this point, King Baudouin continued his remarks in English.]

The idea is, in any case, recognized by all, since, in the Ottawa Declaration, we welcomed the beneficial effect that the further stages toward unity, which the member states of the European Community are determined to pass through, will have for the Atlantic Alliance.

From Belgium's point of view, the two choices—European and Atlantic—are complementary. Without the achievement of a genuine European union on the political level, the European states and the European Community will be unable to assume the responsibility imposed on them by their economic success.

¹ On June 26, 1974, following a meeting of the North Atlantic Council, the President and leaders of other NATO countries signed the Declaration on Atlantic Relations. The text of the declaration is printed in the Weekly Compilation of Presidential Documents (vol. 10, p. 729).

Unless they speak with one voice, how can they play a part in diplomacy, make original contributions to more equitable relations between the industrialized states and those that are trying to develop and, finally, uphold the essential democratic values?

The assertion of that European identity will foster more thorough cooperation and will give the transatlantic dialog the nature of a conversation between equal partners who take care to show respect for each other and are united in a joint venture.

The Alliance is permanently confronted with the internal problems of states, the loosening of bonds, and the weariness of efforts. But due to Western solidarity and to the habit of living together, it may be stated—and seems rather paradoxical—that after adding up the problems before it, the Alliance has always been in better health than might have been feared.

Of course, the Alliance is challenged, and if it were not, anxiety would have to be felt about its vitality. No viable and active institution fails to make headway between the pressures of opposing forces.

Twenty-five years after its establishment, the governments have confirmed the commitments entered into and have placed them in the context of the new requirements. After having justified its existence in the past, the Alliance remains one of the guarantees of our future.

It is with a thought to that future that I request you to join me in raising your glasses to our continued cooperation.

Later the same day, the President held separate meetings with Chancellor Helmut Schmidt of the Federal Republic of Germany, Prime Minister Harold Wilson of Great Britain, and Prime Minister Mariano Rumor of Italy at the residence of the United States Ambassador to Belgium.

That evening, the President hosted a reception at the United States Ambassador's residence for delegates to the NATO meeting, senior NATO staff members, senior Belgian officials, and American officials in Brussels.

202 Toasts of the President and Leonid Ilyich Brezhnev, General Secretary of the Central Committee of the Communist Party of the Soviet Union, at a Dinner in Moscow. *June 27, 1974*

Mr. General Secretary Brezhnev, President Podgorny, Premier Kosygin, all distinguished guests:

To you, Mr. General Secretary, on behalf of all of your American guests, I express our grateful appreciation for not only the hospitality you have extended to us tonight but for the very generous words of friendship you have just spoken.

And I am very gratified that I shall have the opportunity to see more of your great country on this visit, and I trust that on your next visit to the United States next year, you will be able to see more of our country as well.

All of us gathered here tonight are fortunate to be present at a moment of great historical significance. Two years ago in this place, we began a process which has resulted in a profound change in the relations between the two strongest nations in the world.

We have moved in those 2 years from confrontation to coexistence to cooperation. And while, as the General Secretary has correctly pointed out, we have many problems yet to negotiate on, the success of our negotiations to date gives a good indication of the progress we can and will make in this third summit meeting.

To see the extent of the progress that has been made, we can point to the fact that over the past 2 years, more agreements have been negotiated and signed between our two countries in those 2 years than in the entire history of the relations of our two countries up to that period.

And it is significant to note the character of those agreements. In part, they have dealt with the concern that both of our nations have with regard to the need to avoid war, and motivated by that desire—the desire to avoid war—we have begun the process of limiting nuclear arms.

And in 1973, we negotiated and signed the historic agreement with regard to the prevention of nuclear war. But that is only one side of the equation as far as our agreements are concerned. We both seek peace, but we seek peace that is more than simply the absence of war. We seek peace because of the positive progress it can bring to both of our peoples.

And that is why we have negotiated a number of agreements in the areas of peaceful progress. They are too numerous to mention, but they cover all fields of human endeavor: health, science, the environment, the peaceful exploration of space, agriculture. Many others could be added, but together what they mean is that both our great peoples now have a stake in peace from a positive standpoint.

We must still do everything that we can to negotiate those agreements that will lessen the burden of armaments and reduce the danger of war. But we must go further and add to this and to give to every individual in each of our countries a positive stake in peace, because it is in this way that two peoples with different systems of government can estab-

lish relationships that will not be broken in the future.

And it is also, I think, very worthwhile to note how these agreements were negotiated. They were possible because of a personal relationship that was established between the General Secretary and the President of the United States. And that personal relationship extends to the top officials in both of our governments.

It has been said that any agreement is only as good as the will of the parties to keep it. Because of our personal relationship, there is no question about our will to keep these agreements and to make more where they are in our mutual interests.

And also, we both can say that this new relationship between our two nations is overwhelmingly supported by the people of the Soviet Union and overwhelmingly supported by the people of the United States.

And now, looking to the future, we wonder how history will judge the leaders of these two nations and their people during this period. Too often in the past, history has judged those nations to be great which were engaged in aggressive war and in conquest. But what we are doing is establishing a record where the two strongest nations in the world and their leaders will seek greatness, not by what they might accomplish in war, but greatness by what they accomplish in the works of peace.

And without the cooperation of these two strongest nations in the world, the cooperation of both their leaders and their people, there can be no lasting peace in the world. And consequently, we believe that these meetings that we have had and

those that we will have in the future will lead to our meeting the challenge of history for a strong nation to be remembered as a peacemaking nation rather than as a warmaking nation.

Let this be our legacy for the generations ahead. And that is why I say that we should raise our glasses to our host, the General Secretary and his colleagues, to peace between the Soviet Union and the United States of America, and to peace for all peoples in the world, the peace to which the relations between our nations can make such an enormous contribution.

NOTE: The President spoke at approximately 8:45 p.m. in Granovit Hall at the Grand Kremlin Palace, in response to a toast proposed by General Secretary Brezhnev.

Earlier in the day, the President and Mrs. Nixon arrived in Moscow at Vnukovo II Airport and were greeted by General Secretary Brezhnev, President N. V. Podgorny, Premier A. N. Kosygin, Foreign Minister A. A. Gromyko, and Soviet Ambassador to the United States A. F. Dobrynin.

General Secretary Brezhnev proposed the toast in Russian. His remarks were translated by an interpreter as follows:

Esteemed Mr. President, esteemed Mrs. Nixon, ladies and gentlemen, comrades:

We are glad once again to greet here in the Kremlin as guests of the Soviet Union, the President of the United States of America and Mrs. Nixon, as well as the American statesmen accompanying the President.

This is already the third meeting between the leaders of our countries in just a little over 2 years since a cardinal turn became evident in Soviet-American relations towards normalization and the development of peaceful cooperation.

On the firm basis of the fundamental agreements which were signed in 1972 and 1973 and are known all over the world, we have made tangible progress. Probably never before have ties and contacts between the Union of Soviet Socialist Republics and the United States in different areas of political, economic, and cultural activity been as lively as they are today.

Nowadays, thousands of people annually travel from America to the Soviet Union and from the Soviet Union to America. Mutual visits of ministers, contacts among businessmen, meetings between scientists and public figures, concert tours, various exhibitions, and tourist trips have become customary events. Parliamentary ties are beginning to develop.

We have been glad to welcome in the U.S.S.R. Senators and Congressmen belonging to the two biggest parties of the United States, and a delegation of the U.S.S.R. Supreme Soviet recently visited America.

The material foundation of our good relations is becoming stronger as well. The volume of trade has increased several times over during the last 2 years, and several important long-term contracts have been signed.

At the same time, we all know that much remains to be done here, both in the sense of making economic ties more balanced and stable and in the sense of clearly establishing the principles of equality and respect for each other's interests in this area of relations. Credit is certainly due to those farsighted members of the business community of the United States who correctly understood the mutually advantageous nature of the development of economic ties between our countries and their importance for both our peoples and who actively support their government's line in this matter.

The biggest contribution, however, which we Soviet and U.S. statesmen of the seventies of the twentieth century can make to the cause of greater well-being and happiness for our peoples and for all mankind is undoubtedly the reduction and subsequently the complete removal of the possibility of war between our two states.

To insure stable peace between the U.S.S.R. and the U.S.A. is the chief task in the development of Soviet-American relations, and the leaders of both countries are continuing to devote unflagging attention to its solution. For all the useful things that we can achieve in this direction, future generations will remember us with kind words.

If we fail to solve this task, however, all other achievements in the development of mutual relations may lose their significance.

The new Soviet-American summit meeting, as it is usually called, is a new step in the great endeavor which we jointly initiated with

you, Mr. President, 2 years ago and which we resolutely intend to pursue, for it meets the fundamental interest of the peoples of the two countries and the interests of world peace.

Experience shows that progress along this path requires effort, sometimes quite a bit of it. The relaxation of tension in Soviet-American relations, as in international relations generally, comes up against rather active resistance. There is no need for me to dwell on this subject since our American guests know better and in more detail than we about those who oppose international détente, who favor whipping up the arms race and returning to the methods and mores of the cold war.

I just want to express my firm conviction that the policy of such individuals—whether they themselves know it or not—has nothing in common with the interests of the peoples. It is a policy that attests most likely to the unwillingness or inability of its proponents to take a sober look at the realities of the present-day world.

We are confident, however, that the peoples will support those who seek to assure their peaceful future and a tranquil life for millions of people, not those who sow enmity and distrust. That is why we believe that the good results it has proved possible to achieve in Soviet-American relations in the last 2 years shall not be erased, particularly since their improvement has already justified itself and has in many respects given practical proof of its usefulness for both sides and for the world as a whole.

Today the task, as we see it, is to consolidate the successes already achieved and to advance further along the main road that we have jointly chosen to follow. The third round of Soviet-American summit talks has begun. We shall be discussing both the further development of bilateral relations and a number of international problems.

Although we have different viewpoints on several matters, we shall seek, and I feel not unsuccessfully, agreed ways toward the further consolidation of peace and mutually advantageous cooperation. I believe it can definitely be said that our talks will proceed in a businesslike and constructive spirit. We, for our part, express the hope that this time as

well our meeting will be as fruitful as the preceding meetings in Moscow and Washington.

Esteemed Mr. President, I do hope that you and Mrs. Nixon feel well on Moscow soil in the Kremlin residence with which you are already familiar. Soon you will be seeing the southern coast of the Crimea, where on the Black Sea shores hundreds of thousands and even millions of our country's workers, farmers, and office employees annually spend their vacations at health resorts. I do hope you like the Crimea. We certainly love it.

For my part, I shall be glad to reciprocate to some extent the hospitality that was accorded to us last summer on the Pacific Coast in San Clemente. I trust that in the Crimea there will be no less comfortable a setting for quiet and productive discussions.

I also hope that the visit to the Hero City of Minsk, the capital of Soviet Byelorussia, will also be interesting for you, Mr. President. This title of honor has been conferred upon the Byelorussian capital for its outstanding feat of arms in the years of our joint struggle against the Hitlerite aggressors.

Of course, we would have liked you to see more of the Soviet Union and to travel around our country, but since you have not been able to make your visit a longer one, I should like to express the wish that it should prove to be at least as useful and pleasant as possible.

May I propose a toast to the health of the President of the United States, Mr. Richard Nixon, and Mrs. Nixon.

To the health of all the American guests present in this hall.

To peace and friendship between the peoples of the Soviet Union and the United States of America.

To lasting peace all over the world.

On June 28, 1974, in addition to meeting with Soviet officials, the President participated in a wreath-laying ceremony at the Tomb of the Unknown Soldier in the Aleksandrov Gardens. That evening, the President and Mrs. Nixon attended a performance at the Bolshoi Theater.

203 White House Statement on the Death of
 Mrs. Martin Luther King, Sr. *June 30, 1974*

THE PRESIDENT and Mrs. Nixon were most distressed to learn of the tragic death of Mrs. Martin Luther King, Sr., the death of one of her parishioners, and the wounding of another.

It is a terrible irony that a family whose devotion to nonviolence has so greatly advanced the cause of social justice in the United States should have two of its own members struck down in this fashion.

The President's prayers are with Dr. King, Sr., in this hour of his bereavement, and with the members of the Ebenezer Baptist Church upon whom this tragedy falls with a special force.

NOTE: Mrs. King was slain by an assailant during services at the Ebenezer Baptist Church in Atlanta, Ga.

The President designated Stanley S. Scott, Special Assistant to the President, to serve as his Personal Representative at funeral services for Mrs. King held in Atlanta on July 3. Other members of the official delegation included H. R. Crawford, Assistant Secretary for Housing Management, Department of Housing and Urban Development, and John H. Powell, Jr., Chairman of the Equal Employment Opportunity Commission.

The statement was released at Oreanda, Ukrainian Soviet Socialist Republic and Washington, D.C.

204 Statement on the Death of President Juan Domingo Perón
 of Argentina. *July 1, 1974*

MRS. NIXON and I, on behalf of the American people, have sent a message of condolence to the wife of former President Perón. We are saddened by the death of the President of the Argentine Republic, Juan Domingo Perón, who was a source of inspiration to his countrymen. At a time when others would have been content to retire from public life, he accepted the challenge to return to his country to guide and assist the Argentine people. He dedicated the last years of his life to this task.

NOTE: President Perón, 78, was President of the Argentine Republic from 1946 to 1955, and from September 1973 until his death in Buenos Aires.

The President designated Secretary of Commerce Frederick B. Dent as his Personal Representative, with the rank of Special Ambassador, at funeral services for President Perón held in Buenos Aires on July 4. Other members of the official delegation included Robert C. Hill, United States Ambassador to Argentina, and Jack B. Kubisch, Assistant Secretary of State for Inter-American Affairs.

The statement was released at Moscow, U.S.S.R. and Washington, D.C.

205 Toast at a Luncheon in Minsk Honoring the President.

July 1, 1974

Mr. President of the Republic, Mr. Chairman of the Council of Ministers, and Mr. Secretary of the Party:

And for those Americans who are here, that translated in terms of Byelorussian means Mr. Podgorny, Mr. Brezhnev, and Mr. Kosygin.

On behalf of all our American guests, I wish to express our appreciation for this beautiful luncheon. And I want all of you to know that when the General Secretary, Mr. Brezhnev, picked the city and the Republic in which we would come, I now know why he picked Minsk.

I thought first it might be because Minsk and Byelorussia is famous the world over for a tiny girl, a pert girl, Olga Korb¹ut. But I have found in my conversations with my friends from the right and the left seated here that not only are the women of Byelorussia beautiful but they are strong and courageous.

It is difficult to know the meaning of war until one has an opportunity to come in contact with it on an individual basis. And I find that both the Secretary on my right and the President on my left have come into contact with war as fighters in the war, but also who know war because they have close relatives and, in their case, their own mothers who were killed in the war.

And the question is, why has this city been designated a hero city for the Soviet Union? First, because it suffered so much, along with the whole Republic of Byelorussia. Second, because not only the men

but the women fought and were courageous throughout the war. And third, despite the long years of occupation, the city and the Republic has come back, until now it is on the way to its greatest years in the period ahead.

And so, this is truly a hero city and a hero Republic. And I think General Secretary Brezhnev wanted Mrs. Nixon and me to visit this city in order to help you celebrate this great day in which you complete 30 years since liberation.

How do we best celebrate such a day? With a magnificent luncheon like this, with fine food, good wines, and good company; by a parade yesterday and by visits to memorials that we will be privileged to make later in the afternoon.

But the best way to celebrate a day which marks the ending of a war is to build peace. And the greatest and best memorial that we can build to the one-fourth of all the citizens of this Republic who were killed in World War II is to build a structure of peace so that their children and grandchildren will not die in another war.

As I saw these fine looking young men who served us, this thought crossed my mind: What we who served in World War II have on our hands is the responsibility of determining whether these young men will grow up in a period of peace or whether they, too, will have to go through the horrors of war. And I can assure you that in our first two meetings—the first in Moscow, the next in Washington and other parts of the United States—and the third here in the Soviet Union, that the General Secretary and his col-

¹Olga Korb¹ut was a Russian gymnast who won two gold medals at the 1972 Olympic games.

leagues and the members of our party have been devoting our full time toward the great goal to see to it that the two strongest peoples and the two strongest nations in the world will not devote their efforts and waste their young men in war, but will work together for peace between themselves and for all people in the world.

And it is very appropriate that in this city and in this Republic that has known war for so many centuries, that today we speak in terms of peace and friendship for all people.

May Minsk in the future not be remembered simply where virtually every generation a battle is fought, but as a great city which contributed to prosperity and peace for all the people in this Republic.

So, therefore, I will propose that we raise our glasses to our hosts, the President, the Chairman of the Council of Ministers, the Secretary of the Party, to

the Hero City of Minsk, to all of those brave men and women who died and suffered during World War II, and to the new generation which will grow up in peace because of what we are able to do.

NOTE: The President spoke at approximately 2:30 p.m. at the Government Guest House in response to a toast proposed by Fedor Anisimovich Surganov, Chairman of the Presidium of the Supreme Soviet of the Byelorussian Soviet Socialist Republic.

A translation of Chairman Surganov's remarks at the luncheon is printed in the Weekly Compilation of Presidential Documents (vol. 10, p. 742).

Later the same day, the President participated in wreath-laying ceremonies at the Victory Monument in Minsk and at the Khatyn Memorial near the city.

On June 29–30, 1974, the President and General Secretary Brezhnev had conducted a series of meetings in Oreanda, Ukrainian Soviet Socialist Republic. Following their visit to Minsk, the official party returned to Moscow.

206 Radio and Television Address to the People of the Soviet Union. July 2, 1974

Dobryy vecher [Good evening]:

Two years ago at the first of these summit meetings, your Government gave me the opportunity to speak directly with you, the people of the Soviet Union. Last year, at our second meeting, General Secretary Brezhnev spoke on radio and television to the people of the United States. And now, tonight, I appreciate this opportunity to continue what has become a tradition, a part of our annual meetings.

In these past 2 years, there has been a dramatic change in the nature of the relationship between our two countries. After a long period of confrontation, we moved to an era of negotiation, and now

we are learning cooperation. We are learning to cooperate, not only in lessening the danger of war but in advancing the work of peace.

We are thereby helping to create not only a safer but also a better life for the people of both of our countries. By reflecting on how far we have advanced, we can better appreciate how strong a foundation we have laid for even greater progress in the future.

At our first summit meeting 2 years ago, we signed the first agreement ever negotiated for the limitation of strategic nuclear arms. This was an historic milestone on the road to a lasting peace—and to

mankind's control over the forces of his own destruction.

We have many difficulties yet to be overcome in achieving full control over strategic nuclear arms. But each step carries us closer and builds confidence in the process of negotiation itself.

Our progress in the limitation of arms has been vitally important. But it has not been the only product of our work at the summit. We have also been steadily building a new relationship that, over time, will reduce the causes of conflict.

In the basic principles for our mutual relations, agreed to in Moscow in 1972, and in the agreement on prevention of nuclear war, signed last year in Washington, we have established standards to guide our actions toward each other in international affairs generally so that the danger of war will be reduced and the possibility of dangerous confrontations will be lessened.

What is particularly significant is that our negotiations have been far wider than the reduction of arms and the prevention of wars and crises. The pattern of agreements reached between us has opened new avenues of cooperation across the whole range of peaceful relations.

For example, we are working together in programs which will bring better health, better housing, a better environment, as well as in many other fields. Trade between our two countries totaled a record \$1.4 billion in 1973. That is more than twice the level of the previous year. This means more goods and a greater choice available for the people of both of our countries.

It was exactly 15 years ago next month when I was here in Moscow as Vice President that I first spoke to the people of the Soviet Union on radio and television. In

that speech I said, "Let our aim be not victory over other peoples, but the victory of all mankind over hunger, want, misery and disease, wherever it exists in the world."

The agreements we have reached at these summit meetings—on health, for example, including this year's agreement on artificial heart research—will help us toward that great victory. At the same time, they will give the people of both of our countries a positive stake in peace.

This is crucially important.

Traditionally, when peace has been maintained, it has been maintained primarily because of the fear of war. Negotiators have been spurred in their efforts, either by the desire to end a war or by the fear that their failure would begin a war.

The peace we seek now to build is a permanent peace. And nothing permanent can be built on fear alone. By giving both of our nations a positive stake in peace—by giving both of our peoples hope, something to look forward to as the results of peace—we create a more solid framework on which a lasting structure of peace can be built and on which it then can stand strong through the years.

The peace we seek to build is one that is far more than simply the absence of war. We seek a peace in which each man, woman, and child can look forward to a richer and a fuller life. This is what the people of the Soviet Union want. This is what the people of America want. And this is what the people of all nations want.

Our two nations are great nations. They are strong nations, the two strongest nations in the world.

Too often in the past, the greatness of a nation has been measured primarily in terms of its success in war. The time has come to set a new standard for the meas-

ure of greatness of a nation. Let our measure of greatness be not by the way we use our strength for war and destruction, but how we work together for peace and for progress for ourselves and for all mankind.

Let us recognize that to be great, a strong nation need not impose its will on weaker nations. A great nation will establish its place in history by the example it sets, by the purposes for which its power is used, by the respect that it shows for the rights of others, by the contribution it makes toward building a new world in which the weak will be as safe as the strong.

In these meetings, we have been seeking to ensure that the power of both of our nations will be used not for war and destruction, but rather for peace and for progress.

Our two nations will continue to have differences. We have different systems. And in many respects, we have different values. Inevitably, our interests will not always be in accord.

But the important thing is that we are learning to negotiate where we have differences, to narrow them where possible, and to move ahead together in an expanding field of mutual interests.

One of the most important aspects of our developing new relationship might be stated this way: Just as a cloth is stronger than the threads from which it is made, so the network of agreements we have been weaving is greater than the sum of its parts. With these agreements, we have been creating a pattern of interrelationships, of habits of cooperation and arrangements for consultation—all of which interact with one another to strengthen the fabric of the new relationship. Thus each new agreement is important not only for itself but also for the added strength

and stability it brings to our relations overall.

We have been weaving this fabric of cooperation not just because we are idealistic about peace—and we are—but because we are practical about peace. The words of the agreements we sign are important; even more important is how we carry them out in practice—how we translate the ideal of peaceful cooperation into the practice of peaceful cooperation. In this growing network of agreements, of exchanges, of patterns of cooperation, we are demonstrating not just the ideal of peace but the practice of peace.

In the course of many years, I have visited memorials to the dead of many wars, in many countries. Yesterday, I laid a wreath at one of the most moving memorials I have ever seen—the Khatyn Memorial, outside Minsk. A huge bronze statue of Joseph Kaminsky, the village blacksmith, carrying his 15-year-old dead son in his arms, stands today above the graves of what was the village of Khatyn.

Chimneys stand where the houses were, with a memorial bell in each chimney tolling for the dead, not only for Khatyn but also for the hundreds of other villages that were destroyed and the millions of others who died—a stark reminder to all nations and for all time of the terrible cost of war.

As I laid the wreath, I thought of the people of Khatyn, and I thought especially of the children of Khatyn. I reflected on the fact that our efforts now must be directed not against any one nation or group of nations, but against the evil of war itself.

And I also thought of the living memorial that we today must build—the living memorial of a lasting peace, so that the children of those who sacrificed in war

and their children's children can be spared the tragedy of Khatyn and can know, instead, the security of a human brotherhood that reaches across the boundaries of all nations.

When we first met at the summit 2 years ago, both sides were venturing into the untried waters of something new. And we were, perhaps, a bit uncertain, even apprehensive, about where it would lead.

But now, we and the leaders of the Soviet Union have come to know one another. Each of us has a much fuller understanding of the policies of the other country, even where those policies differ.

Thus, we have been able to meet this year, as we will meet again next year in the United States, not in an atmosphere of crisis, but rather in an atmosphere of confidence—confidence that the work we have embarked on is going forward.

In fact, it might be said that the most remarkable thing about this summit meeting is that it is taking place so routinely, so familiarly—as a part of a continuing pattern that would have seemed inconceivable just a few years ago.

Peace is not only a condition; if it is to last, it must also be a continuing process. And these meetings are an example of that process in action.

As allies in World War II, we fought side by side in the most terrible war in all human history. And together with our allies we won the victory. In winning that victory, the people of the Soviet Union and the people of the United States shared a common hope that we also had won a lasting peace. That hope was frustrated, but now we have a new opportunity.

Winning victory in war is difficult. It requires extraordinary courage, stamina, and dedication from every individual citi-

zen in the nation. But in some ways, the building of a lasting peace is even more difficult than waging war, because it is more complex. We must bring to the task of building that peace the same kind of courage, of stamina, of dedication that inspired us in our struggle for victory in war.

And the fact that our task of building peace is more complex does not mean that we cannot succeed.

Let me give a striking example which demonstrates that point. In the whole field of modern technology, no mission is more complex than the mission of sending men into space. The joint Soviet-American space mission planned for next year—the joint Soyuz-Apollo mission—is in many ways symbolic of the new relationship we are building between our two nations.

It is symbolic for several reasons—reasons which carry important lessons about that new relationship:

For one thing, the rocket technology developed for war is being used for peace.

And for another, Soviet and American spacemen, starting from their separate countries, will find their way toward one another and join with one another—just as we are doing and must continue to do across the whole range of our relationship.

By standardizing their docking techniques, they will make international rescue missions possible in case future space missions encounter trouble in space. Thus they will make space safer for the astronauts and the cosmonauts of both of our countries—just as our new relationship can make life on Earth safer for the people of both of our countries.

Finally, and perhaps more important, this joint mission—for which our astronauts are now here in the Soviet Union training alongside your cosmonauts—is

being made possible by careful planning, by precise engineering, by a process of working and building together, step by step, to reach a goal that we share, and this is the way that together we can build a peace, a peace that will last.

One of the greatest of your writers, Leo Tolstoy, once told this story. A very old man was planting apple trees. He was asked: "What are you planting apple trees for? It will be a long time before they bear fruit, and you will not live to eat a single apple."

The old man replied, "I will never eat them, but others will, and they will thank me."

Our two nations bear a shared responsibility toward the entire world. And we,

too, must plant now so that future generations will reap a harvest of peace—a peace in which our children can live together as brothers and sisters, joining hands across the ocean in friendship and ushering in a new era in which war is behind us and in which together, in peace, we can work toward a better life for our people and for all people.

Spasibo y do svidaniye. [Thank you and goodbye.]

NOTE: The President spoke at 7:01 p.m. in the Green Room at the Grand Kremlin Palace, Moscow. His address was broadcast live on radio and television in the Soviet Union and simultaneously, via satellite, in the United States.

An advance text of his address was released on the same day.

207 Statement About Energy Conservation Efforts by the Federal Government and the Business Community.

July 2, 1974

THE ENERGY crisis in America has passed, but the energy challenge is as great as ever. Our goal must be to develop the capacity for self-sufficiency in energy, and to achieve this goal we must continue our efforts to both expand energy supplies and conserve energy.

In June of last year, I directed the Federal departments and agencies to reduce their anticipated energy consumption by at least 7 percent over the succeeding 12-month period.¹ At the same time, I appealed to consumers, to industry, and to other organizations to join in a nationwide, voluntary campaign of energy conservation.

John C. Sawhill, the Administrator of

the Federal Energy Administration, has now reported to me on the progress of the Federal effort. The achievements are impressive. During the third quarter of the Federal program, savings in the non-defense agencies amounted to 19 percent of anticipated energy usage, while savings by the Defense Department rose to 31 percent. The composite savings of 30 percent for the quarter exceed the records of 20 and 26 percent, respectively, achieved during the first and second quarters of fiscal year 1974. Figures for the fourth quarter are not yet available, but when they are, we are confident that the Federal Government will have far exceeded our original goals for the year.

The total savings for the first 9 months of the Federal program represent the

¹ See 1973 volume, Item 191.

equivalent of 75 million barrels of oil or approximately \$600 million in reduced costs to the taxpayer for energy.

I am also pleased by a report I have received from the Secretary of Commerce, Frederick B. Dent, on the progress made by business in response to the voluntary program I asked him to undertake with the business community. He reports that energy consumption in the industrial sector was reduced by 5 percent per unit of output during the period of October 1973 through January 1974. This rate of savings, which the Secretary expects will be maintained or exceeded in 1974 by all of commerce and industry, represents an annual savings of the equivalent of 425 million barrels of oil. He indicates that 8,000 chief executives have pledged to undertake energy management programs and that some individual companies are reporting savings in excess of 20 percent. Many companies are also reporting that improved energy management is reducing their costs and increasing productivity. Since private industry accounts for ap-

proximately 65 percent or two-thirds of our country's energy consumption, these savings will have a significant impact upon our national consumption levels.

We learned last winter that all of us can contribute to energy conservation. Voluntary actions by millions of Americans were a critically important factor in bringing our Nation through the oil crisis. The continuing accomplishments of the Federal Government and of business and industry should serve as a splendid example of the way that further savings can be achieved and, as part of Project Independence, will advance us toward our ultimate goal of self-sufficiency in energy.

I welcome this opportunity to commend the Federal departments and agencies as well as private industry for their fine leadership. In the final analysis, of course, their efforts alone are not enough. Every American must join in this cause. Our ability to achieve energy independence will depend heavily upon the conservation efforts of all segments—consumers, business, and government.

208 Toasts of the President and General Secretary Brezhnev at a Dinner in Moscow Honoring Soviet Leaders. *July 2, 1974*

Mr. General Secretary Brezhnev, President Podgorny, Prime Minister Kosygin, and all of our distinguished guests from the Soviet Union and our guests from the United States:

Mr. General Secretary, it is difficult to express in words how much we have appreciated the hospitality, the boundless hospitality, you have extended to all of us from our American party. And we are

honored to have you in this house tonight.

As we look back over the last 5 days, we have many unforgettable memories: the magnificent dinner the first night in the Kremlin; the superb performance at the Bolshoi Theater which, in effect, allowed us through music, through dance, through song to visit virtually all of the Soviet Union; and then, the first opportunity that most of us have had, and cer-

tainly the first opportunity I have had, to go to the Crimea, to Oreanda, and then yesterday the visit to Minsk.

The difficulty with our position at this point is that your hospitality has been so great we do not know how to equal it when you make your next visit to the United States just a year from now. But I can assure you that you will be received warmly and that we expect next year to continue on the path of progress which began just 2 years ago on my first visit as President to Moscow in 1972.

Tomorrow we will sign the final documents of our meetings. Altogether with the other documents that we have agreed to, they will add up to a very significant progress in Soviet-American relations, progress toward our common goals of reducing the danger of war and increasing the hopes for and actually the products of peace, the benefits of peace for all of our people.

Yesterday, when I visited the famous memorial at Minsk, many thoughts went through my head. I referred earlier in the television address to the village blacksmith, Kaminsky, holding his dead 15-year-old son in his hands. I thought of many things, but above all, what that young boy whose life was snuffed out at such an early age might have been had he lived. Possibly there was a great scientist, one who could possibly have composed great music or created beautiful works of art, or one who in the field of medicine might have found an answer to the problem of cancer or one of the other dread diseases which afflict all of mankind.

And as I think of our work together with you and your colleagues, I realize that we are working for the future of our

children, our grandchildren, and for all of those who live throughout the world.

Our goal will not be accomplished in one meeting or two or even three. But by continuing our close consultation, by continuing our meetings, we will make definite progress toward our goal of a permanent peace between our two nations and for all people.

None of this would have been possible in the past or will be possible in the future unless it was supported, as it is, by a majority of our people. I know from my visit to the Soviet Union that your policies are supported by a great majority of the Soviet people, your policies looking toward the reduction of the dangers of war and increasing the opportunities for peace. And I can assure you, Mr. General Secretary, that our policies, looking toward closer relations and friendship, not only with the Soviet people but with the leaders of this government, has the support of the great majority of the American people.

And finally, I would say that the progress that we have made and will make in the future not only was possible and will be possible because of the support of our people, it is possible and will be possible because of the initiative taken by the leaders of both countries.

And all of us who have had the opportunity to meet with you and members of your government have valued the personal relations and the personal friendship that has been established by these meetings. And whatever our differences, we must recognize they could never be solved unless we met as friends.

And so, tonight, in proposing the health of the General Secretary, the President, President Podgorny, Prime Minister Kosy-

gin, and to all of our Soviet guests, I do so in the spirit of friendship that has developed over these past 2 years.

We raise our glasses to you because of your official capacities, but more important, we raise our glasses to you because we are friends and because we know that that friendship and that personal relationship that we have at all levels will contribute toward the lasting peace that the peoples of both of our countries want so much.

And so, to the health of the General Secretary Brezhnev and all of our other distinguished Soviet guests, to friendship between the Soviet people and the American people, and to peace for all peoples which that friendship can help create, I ask all of you to rise and raise your glasses.

NOTE: The President spoke at 9:24 p.m. at Spaso House, the residence of the United States Ambassador to the Soviet Union.

General Secretary Brezhnev responded to the President's toast in Russian. His remarks were translated by an interpreter as follows:

Esteemed Mr. President, esteemed Mrs. Nixon, ladies and gentlemen, comrades:

First of all, I would like to thank you, Mr. President, for your friendly words and wishes addressed to our country and its people. The Soviet people, on their part, entertain feelings of respect and friendship for the American people. We are sure that these mutual good feelings will grow and strengthen as the relations between our countries develop further along the road of peace and cooperation.

Your visit, Mr. President, as well as our talks, are drawing to a close. You and we already have every reason to say that the results of this meeting, like the outcome of the two previous ones, can be described as constructive and weighty. I am referring first of all to the new steps in a field which may rightfully be called central in Soviet-American relations, the field of lessening the risk of war and restraining the arms race.

The signing of several important agreements and of the joint communique on the talks be-

tween the leaders of the U.S.S.R. and the U.S.A. is still to come. Without anticipating the concrete content of those documents, I should just like to stress that agreement on such matters as a new considerable limitation of the antiballistic missile systems of the two countries, the agreed limitation of underground nuclear tests, new efforts aimed at the further limitation of strategic offensive arms, and several other measures all mean a substantial advance along the jointly charted path of consolidating peace and mutual confidence.

This complex could perhaps have been still broader, but what has been agreed upon this time tangibly strengthens and deepens the relaxation of international tension and serves the cause of peace throughout the world.

A further progressive development of Soviet-American relations is also betokened by the agreements on expanding commercial and economic and scientific and technological cooperation between the U.S.S.R. and the U.S.A. signed during our meeting.

Ahead lie new horizons and new spheres of cooperation to the benefit of both our great peoples and of peace-loving people in the entire world. In large scale economic projects and in the development of new sources of energy, on transportation lines, in scientists' laboratories, and in architects' designing rooms, everywhere new shoots of a fruitful, mutually beneficial cooperation between our countries will spring forth in the name of peace and a better life for man.

I trust you will agree with me, Mr. President, that these days have once more convincingly proved the significance that meetings at the highest level have for the development of Soviet-American relations in a good constructive direction. They facilitate the possibility of approaching on a broader basis, and with due account of the historical perspective and the lasting interests of the peoples, the solution of many problems, including the most difficult and complicated ones, and they give an impetus to all the links of state machinery and to the representatives of both sides at different levels.

In this connection, I feel we should express our gratitude to all the officials of our diplomatic, foreign trade, and other departments, agencies, and organizations who, on the instructions of their superiors, took part in the great

and painstaking work to prepare this meeting and the appropriate agreements.

I would like to say a few words more about our talks on international problems. As during our previous meetings with President Nixon, they were thorough, quite frank, and useful. Given all the differences of views and positions of our two countries on a number of specific questions, both the Soviet and, evidently, the American participants in the talks have treated and continue to treat as a matter of paramount importance joint or parallel efforts by the Soviet Union and the United States to strengthen universal peace and create conditions for the peaceful cooperation of all states in the spirit of the well-known principles of peaceful co-existence and the provisions of the United Nations Charter.

The last 2 years have already shown the useful influence that the improvement of Soviet-American relations may have in this sense. It has certainly played a positive role in ending the war in Vietnam and in creating conditions for certain progress towards a peaceful settlement in the Middle East and in convening the European conference.

Now the task, as we see it, is successfully to complete what has been started and to ensure that the development of Soviet-American relations continues to be beneficial for universal peace and for the security of nations.

I feel it will be no exaggeration to say that the political results of our talks will be a new confirmation of the determination of both sides to go on developing and deepening ties and cooperation between our two countries in many fields and to act on the international scene in

favor of détente and peace. This is exactly what we expected from the talks, and that is why we express our satisfaction with their results.

We appreciate the contribution that you have made, Mr. President, to the achievement of these results. And we wish you and the entire Administration and the Congress of the United States every success in giving effect to the good initiatives of peace, growing mutual confidence, and useful cooperation embodied in the documents signed in the days of this meeting, as well as in those Soviet-American documents that were signed last year and the year before last.

You may rest assured that the leadership of the Soviet Union, fully supported by the entire Soviet people, will do all in their power in this direction. We are glad, Mr. President, that Mrs. Nixon and you have returned from your trip to the Crimea and to Byelorussia with good impressions.

For my part, I want to say that I remember with gratification my stay in the United States last summer, and I thank you, Mr. President, for the invitation to pay a new visit to the United States next year.

Availing myself of this occasion, I wish to congratulate you, Mr. President, on the coming national day of the United States, Independence Day, and to wish the American people peace, happiness, and well-being.

I propose a toast to the health of the President of the United States of America, Richard Nixon, and Mrs. Nixon, to the further development of relations of friendship and cooperation between the Soviet and American peoples, to a lasting peace between all people.

209 Joint Communique Following Discussions With Soviet Leaders. *July 3, 1974*

IN ACCORDANCE with the agreement to hold regular US-Soviet meetings at the highest level and at the invitation, extended during the visit of General Secretary of the Central Committee of the Communist Party of the Soviet Union L. I. Brezhnev to the USA in June 1973, the President of the United States of

America and Mrs. Richard Nixon paid an official visit to the Soviet Union from June 27 to July 3, 1974.

During his stay President Nixon visited, in addition to Moscow, Minsk and the Southern Coast of the Crimea.

The President of the United States and the Soviet leaders held a thorough and

useful exchange of views on major aspects of relations between the USA and USSR and on the present international situation.

On the Soviet side the talks were conducted by L. I. Brezhnev, General Secretary of the Central Committee of the Communist Party of the Soviet Union; N. V. Podgorny, Chairman of the Presidium of the USSR Supreme Soviet; A. N. Kosygin, Chairman of the USSR Council of Ministers; and A. A. Gromyko, Minister of Foreign Affairs of the USSR.

Accompanying the President of the USA and participating in the talks was Dr. Henry A. Kissinger, US Secretary of State and Assistant to the President for National Security Affairs.

Also taking part in the talks were:

On the American Side: Walter J. Stoessel, Jr., American Ambassador to the USSR; General Alexander M. Haig, Jr., Assistant to the President; Mr. Ronald L. Ziegler, Assistant to the President and Press Secretary; Major General Brent Scowcroft, Deputy Assistant to the President for National Security Affairs; Mr. Helmut Sonnenfeldt, Counselor of the Department of State; and Mr. Arthur A. Hartman, Assistant Secretary of State for European Affairs.

On the Soviet Side: A. F. Dobrynin, Soviet Ambassador to the USA; A. M. Aleksandrov, Assistant to the General Secretary of the Central Committee, CPSU; L. M. Zamyatin, Director General of TASS; and G. M. Korniyenko, Member of the Collegium of the Ministry of Foreign Affairs of the USSR.

The talks were held in a most business-like and constructive atmosphere and were marked by a mutual desire of both Sides to continue to strengthen understanding, confidence and peaceful cooperation be-

tween them and to contribute to the strengthening of international security and world peace.

I. PROGRESS IN IMPROVING US-SOVIET RELATIONS

Having considered in detail the development of relations between the USA and the USSR since the US-Soviet summit meeting in May 1972, both Sides noted with satisfaction that through their vigorous joint efforts they have brought about over this short period a fundamental turn toward peaceful relations and broad, mutually beneficial cooperation in the interests of the peoples of both countries and of all mankind.

They emphasized the special importance for the favorable development of relations between the USA and the USSR of meetings of their leaders at the highest level, which are becoming established practice. These meetings provide opportunities for effective and responsible discussion, for the solution of fundamental and important bilateral questions, and for mutual contributions to the settlement of international problems affecting the interests of both countries.

Both Sides welcome the establishment of official contacts between the Congress of the US and the Supreme Soviet of the USSR. They will encourage a further development of such contacts, believing that they can play an important role.

Both Sides confirmed their mutual determination to continue actively to reshape US-Soviet relations on the basis of peaceful coexistence and equal security, in strict conformity with the spirit and the letter of the agreements achieved between the two countries and their obligations under those agreements. In this con-

nection they noted once again the fundamental importance of the joint documents adopted as a result of the summit meetings in 1972 and 1973, especially of the Basic Principles of Relations Between the USA and the USSR, the Agreement on the Prevention of Nuclear War, the Treaty on the Limitation of Anti-Ballistic Missile Systems, and the Interim Agreement on Certain Measures with Respect to the Limitation of Strategic Offensive Arms.

Both Sides are deeply convinced of the imperative necessity of making the process of improving US-Soviet relations irreversible. They believe that, as a result of their efforts, a real possibility has been created to achieve this goal. This will open new vistas for broad mutually beneficial cooperation, and for strengthening friendship between the American and Soviet peoples, and will thus contribute to the solution of many urgent problems facing the world.

Guided by these worthy goals, both Sides decided to continue steadfastly to apply their joint efforts—in cooperation with other countries concerned, as appropriate—first of all in such important fields as:

- removing the danger of war, including particularly war involving nuclear and other mass-destruction weapons;

- limiting and eventually ending the arms race especially in strategic weapons, having in mind as the ultimate objective the achievement of general and complete disarmament under appropriate international control;

- contributing to the elimination of sources of international tension and military conflict;

- strengthening and extending the process of relaxation of tensions throughout the world;

- developing broad, mutually beneficial cooperation in commercial and economic, scientific-technical and cultural fields on the basis of the principles of sovereignty, equality and noninterference in internal affairs with a view to promoting increased understanding and confidence between the peoples of both countries.

Accordingly, in the course of this summit meeting both Sides considered it possible to take new constructive steps which, they believe, will not only advance further the development of US-Soviet relations but will also make a substantial contribution to strengthening world peace and expanding international cooperation.

II. FURTHER LIMITATION OF STRATEGIC ARMS AND OTHER DISARMAMENT ISSUES

Both sides again carefully analyzed the entire range of their mutual relations connected with the prevention of nuclear war and limitation of strategic armaments. They arrived at the common view that the fundamental agreements concluded between them in this sphere continue to be effective instruments of the general improvement of US-Soviet relations and the international situation as a whole. The USA and the USSR will continue strictly to fulfill the obligations undertaken in those agreements.

In the course of the talks, the two Sides had a thorough review of all aspects of the problem of limitation of strategic arms. They concluded that the Interim Agreement on offensive strategic weapons should be followed by a new agreement between the Soviet Union and the United States on the limitation of strategic arms. They agreed that such an agreement should cover the period until 1985 and

deal with both quantitative and qualitative limitations. They agreed that such an agreement should be completed at the earliest possible date, before the expiration of the Interim Agreement.

They hold the common view that such a new agreement would serve not only the interests of the Soviet Union and the United States but also those of a further relaxation of international tensions and of world peace.

Their delegations will reconvene in Geneva in the immediate future on the basis of instructions growing out of the summit.

Taking into consideration the inter-relationship between the development of offensive and defensive types of strategic arms and noting the successful implementation of the Treaty on the Limitation of Anti-Ballistic Missile Systems concluded between them in May 1972, both Sides considered it desirable to adopt additional limitations on the deployment of such systems. To that end they concluded a Protocol providing for the limitation of each Side to a single deployment area for ABM systems instead of two such areas as permitted to each Side by the Treaty.¹

At the same time, two protocols were signed entitled "Procedures Governing Replacement, Dismantling or Destruction and Notification Thereof, for Strategic Offensive Arms" and "Procedures Governing Replacement, Dismantling or Destruction, and Notification Thereof for ABM Systems and Their Components." These protocols were worked out by the Standing Consultative Commission which

was established to promote the objectives and implementation of the provisions of the Treaty and the Interim Agreement signed on May 26, 1972.

The two Sides emphasized the serious importance which the US and USSR also attach to the realization of other possible measures—both on a bilateral and on a multilateral basis—in the field of arms limitation and disarmament.

Having noted the historic significance of the Treaty Banning Nuclear Weapon Tests in the Atmosphere, in Outer Space and Under Water, concluded in Moscow in 1963, to which the United States and the Soviet Union are parties, both Sides expressed themselves in favor of making the cessation of nuclear weapon tests comprehensive. Desiring to contribute to the achievement of this goal the USA and the USSR concluded, as an important step in this direction, the Treaty on the Limitation of Underground Nuclear Weapon Tests providing for the complete cessation, starting from March 31, 1976, of the tests of such weapons above an appropriate yield threshold, and for confining other underground tests to a minimum.²

The Parties emphasized the fundamental importance of the Treaty on the Non-Proliferation of Nuclear Weapons. Having reaffirmed their mutual intention to observe the obligation assumed by them under that Treaty, including Article VI thereof, they expressed themselves in favor of increasing its effectiveness.

A joint statement was also signed in which the US and USSR advocate the most effective measures possible to over-

¹ The text of the protocol is printed in the Weekly Compilation of Presidential Documents (vol. 10, p. 750). On July 3, 1974, the White House released a fact sheet on the protocol.

² The texts of the treaty and protocol are printed in the Weekly Compilation of Presidential Documents (vol. 10, p. 751).

come the dangers of the use of environmental modification techniques for military purposes.³

Both Sides reaffirmed their interest in an effective international agreement which would exclude from the arsenals of states such dangerous instruments of mass destruction as chemical weapons. Desiring to contribute to early progress in this direction, the USA and the USSR agreed to consider a joint initiative in the Conference of the Committee on Disarmament with respect to the conclusion, as a first step, of an international Convention dealing with the most dangerous, lethal means of chemical warfare.

Both Sides are convinced that the new important steps which they have taken and intend to take in the field of arms limitation as well as further efforts toward disarmament will facilitate the relaxation of international tensions and constitute a tangible contribution to the fulfillment of the historic task of excluding war from the life of human society and thereby of ensuring world peace. The US and the USSR reaffirmed that a world disarmament conference at an appropriate time can play a positive role in this process.

III. PROGRESS IN THE SETTLEMENT OF INTERNATIONAL PROBLEMS

In the course of the meeting detailed discussions were held on major international problems.

Both Sides expressed satisfaction that relaxation of tensions, consolidation of peace, and development of mutually beneficial cooperation are becoming increasingly distinct characteristics of the devel-

opment of the international situation. They proceed from the assumption that progress in improving the international situation does not occur spontaneously but requires active and purposeful efforts to overcome obstacles and resolve difficulties that remain from the past.

The paramount objectives of all states and peoples should be to ensure, individually and collectively, lasting security in all parts of the world, the early and complete removal of existing international conflicts and sources of tension and the prevention of new ones from arising.

The United States and the Soviet Union are in favor of the broad and fruitful economic cooperation among all states, large and small, on the basis of full equality and mutual benefit.

The United States and the Soviet Union reaffirm their determination to contribute separately and jointly to the achievement of all these tasks.

EUROPE

Having discussed the development of the situation in Europe since the last American-Soviet summit meeting, both Sides noted with profound satisfaction the further appreciable advances toward establishing dependable relations of peace, good neighborliness and cooperation on the European continent.

Both Sides welcome the major contribution which the Conference on Security and Cooperation in Europe is making to this beneficial process. They consider that substantial progress has already been achieved at the Conference on many significant questions. They believe that this progress indicates that the present stage of the Conference will produce agreed documents of great international

³ The text of the joint statement is printed in the Weekly Compilation of Presidential Documents (vol. 10, p. 753).

significance expressing the determination of the participating states to build their mutual relations on a solid jointly elaborated basis. The US and USSR will make every effort, in cooperation with the other participants, to find solutions acceptable to all for the remaining problems.

Both Sides expressed their conviction that successful completion of the Conference on Security and Cooperation in Europe would be an outstanding event in the interests of establishing a lasting peace. Proceeding from this assumption the USA and the USSR expressed themselves in favor of the final stage of the Conference taking place at an early date. Both Sides also proceed from the assumption that the results of the negotiations will permit the Conference to be concluded at the highest level, which would correspond to the historic significance of the Conference for the future of Europe and lend greater authority to the importance of the Conference's decisions.

Both Sides reaffirmed the lasting significance for a favorable development of the situation in Europe of the treaties and agreements concluded in recent years between European states with different social systems.

They expressed satisfaction with the admission to the United Nations of the Federal Republic of Germany and the German Democratic Republic.

Both Sides also stressed that the Quadripartite Agreement of September 3, 1971, must continue to play a key role in ensuring stability and détente in Europe. The US and USSR consider that the strict and consistent implementation of this Agreement by all parties concerned is an essential condition for the maintenance and strengthening of mutual confidence and stability in the center of Europe.

The USA and the USSR believe that, in order to strengthen stability and security in Europe, the relaxation of political tension on this continent should be accompanied by measures to reduce military tensions.

They therefore attach importance to the current negotiations on the mutual reduction of forces and armaments and associated measures in Central Europe, in which they are participating. The two Sides expressed the hope that these negotiations will result in concrete decisions ensuring the undiminished security of any of the parties and preventing unilateral military advantage.

MIDDLE EAST

Both Sides believe that the removal of the danger of war and tension in the Middle East is a task of paramount importance and urgency, and therefore, the only alternative is the achievement, on the basis of UN Security Council Resolution 338, of a just and lasting peace settlement in which should be taken into account the legitimate interests of all peoples in the Middle East, including the Palestinian people, and the right to existence of all states in the area.

As Co-Chairmen of the Geneva Peace Conference on the Middle East, the USA and the USSR consider it important that the Conference resume its work as soon as possible, with the question of other participants from the Middle East area to be discussed at the Conference. Both Sides see the main purpose of the Geneva Peace Conference, the achievement of which they will promote in every way, as the establishment of just and stable peace in the Middle East.

They agreed that the USA and the

USSR will continue to remain in close touch with a view to coordinating the efforts of both countries toward a peaceful settlement in the Middle East.

INDOCHINA

Both Sides noted certain further improvements in the situation in Indochina. In the course of the exchange of views on the situation in Vietnam both Sides emphasized that peace and stability in the region can be preserved and strengthened only on the basis of strict observance by all parties concerned of the provisions of the Paris Agreement of January 27, 1973, and the Act of the International Conference on Vietnam of March 2, 1973.

As regards Laos, they noted progress in the normalization of the situation as a result of the formation there of coalition governmental bodies. Both Sides also pronounced themselves in favor of strict fulfillment of the pertinent agreements.

Both Sides also stressed the need for an early and just settlement of the problem of Cambodia based on respect for the sovereign rights of the Cambodian people to a free and independent development without any outside interference.

STRENGTHENING THE ROLE OF THE UNITED NATIONS

The United States of America and the Soviet Union attach great importance to the United Nations as an instrument for maintaining peace and security and the expansion of international cooperation. They reiterate their intention to continue their efforts toward increasing the effectiveness of the United Nations in every possible way, including in regard to peace-keeping, on the basis of strict observance of the United Nations Charter.

IV. COMMERCIAL AND ECONOMIC RELATIONS

In the course of the meeting great attention was devoted to a review of the status of and prospects for relations between the USA and the USSR in the commercial and economic field.

Both Sides reaffirmed that they regard the broadening and deepening of mutually advantageous ties in this field on the basis of equality and nondiscrimination as an important part of the foundation on which the entire structure of US-Soviet relations is built. An increase in the scale of commercial and economic ties corresponding to the potentials of both countries will cement this foundation and benefit the American and Soviet peoples.

The two Sides noted with satisfaction that since the previous summit meeting US-Soviet commercial and economic relations have on the whole shown an upward trend. This was expressed, in particular, in a substantial growth of the exchange of goods between the two countries which approximated \$1.5 billion in 1973. It was noted that prospects were favorable for surpassing the goal announced in the joint US-USSR communique of June 24, 1973, of achieving a total bilateral trade turnover of \$2.3 billion during the 3-year period 1973-1975. The Joint US-USSR Commercial Commission continues to provide an effective mechanism to promote the broad-scale growth of economic relations.

The two Sides noted certain progress in the development of long-term cooperation between American firms and Soviet organizations in carrying out large-scale projects including those on a compensation basis. They are convinced that such cooperation is an important element in

the development of commercial and economic ties between the two countries. The two Sides agreed to encourage the conclusion and implementation of appropriate agreements between American and Soviet organizations and firms. Taking into account the progress made in a number of specific projects, such as those concerning truck manufacture, the trade center, and chemical fertilizers, the Sides noted the possibility of concluding appropriate contracts in other areas of mutual interest, such as pulp and paper, timber, ferrous and non-ferrous metallurgy, natural gas, the engineering industry, and the extraction and processing of high energy-consuming minerals.

Both Sides noted further development of productive contacts and ties between business circles of the two countries in which a positive role was played by the decisions taken during the previous summit meeting on the opening of a United States commercial office in Moscow and a USSR trade representation in Washington as well as the establishment of a US-Soviet Commercial and Economic Council. They expressed their desire to continue to bring about favorable conditions for the successful development of commercial and economic relations between the USA and the USSR.

Both Sides confirmed their interest in bringing into force at the earliest possible time the US-Soviet trade agreement of October 1972.

Desirous of promoting the further expansion of economic relations between the two countries, the two Sides signed a Long-Term Agreement to Facilitate Economic, Industrial and Technical Cooperation between the USA and the

USSR.⁴ They believe that a consistent implementation of the cooperation embodied in the Agreement over the ten-year period will be an important factor in strengthening bilateral relations in general and will benefit the peoples of both countries.

Having reviewed the progress in carrying out the Agreement Regarding Certain Maritime Matters concluded in October 1972 for a period of three years, and based on the experience accumulated thus far, the two Sides expressed themselves in favor of concluding before its expiration a new agreement in this field. Negotiations concerning such an agreement will commence this year.

V. PROGRESS IN OTHER FIELDS OF BILATERAL RELATIONS

Having reviewed the progress in the implementation of the cooperative agreements concluded in 1972-1973, both Sides noted the useful work done by joint American-Soviet committees and working groups established under those agreements in developing regular contacts and cooperation between scientific and technical organizations, scientists, specialists and cultural personnel of both countries.

The two Sides note with satisfaction

⁴ The text of the agreement is printed in the *Weekly Compilation of Presidential Documents* (vol. 10, p. 741). On June 29, 1974, the White House also released a fact sheet and the transcript of a news briefing on the agreement. Participants in the news briefing were Ronald L. Ziegler, Press Secretary to the President, L. M. Zamyatin, Director General of TASS, and Arthur A. Hartman, Assistant Secretary of State for European Affairs.

that joint efforts by the USA and USSR in such fields of cooperation as medical science and public health, protection and improvement of man's environment, science and technology, exploration of outer space and the world ocean, peaceful uses of atomic energy, agriculture and transportation create conditions for an accelerated solution of some urgent and complicated problems facing mankind.

Such cooperation makes a substantial contribution to the development of the structure of American-Soviet relations, giving it a more concrete positive content.

Both Sides will strive to broaden and deepen their cooperation in science and technology as well as cultural exchanges on the basis of agreements concluded between them.

On the basis of positive experience accumulated in their scientific and technological cooperation and guided by the desire to ensure further progress in this important sphere of their mutual relations, the two Sides decided to extend such cooperation to the following new areas.

ENERGY

Taking into consideration the growing energy needs of industry, transportation and other branches of the economies of both countries and the consequent need to intensify scientific and technical cooperation in the development of optimal methods of utilizing traditional and new sources of energy, and to improve the understanding of the energy programs and problems of both countries, the two Sides concluded an agreement on cooperation

in the field of energy.⁵ Responsibility for the implementation of the Agreement is entrusted to a US-USSR Joint Committee on Cooperation in Energy, which will be established for that purpose.

HOUSING AND OTHER CONSTRUCTION

The two Sides signed an agreement on cooperation in the field of housing and other construction.⁵ The aim of this Agreement is to promote the solution by joint effort of problems related to modern techniques of housing and other construction along such lines as the improvement of the reliability and quality of buildings and building materials, the planning and construction of new towns, construction in seismic areas and areas of extreme climatic conditions. For the implementation of this Agreement there will be established a Joint US-USSR Committee on Cooperation in Housing and Other Construction which will determine specific working programs.

For the purpose of enhancing the safety of their peoples living in earthquake-prone areas, the two Sides agreed to undertake on a priority basis a joint research project to increase the safety of buildings and other structures in these areas and, in particular, to study the behavior of pre-

⁵ The texts of the agreements are printed in the *Weekly Compilation of Presidential Documents* (vol. 10, pp. 737-740). On June 28, 1974, the White House also released fact sheets and the transcript of a news briefing on the agreements. Participants in the news briefing were Ronald L. Ziegler, Press Secretary to the President, and Arthur A. Hartman, Assistant Secretary of State for European Affairs.

fabricated residential structures during earthquakes.

ARTIFICIAL HEART RESEARCH

In the course of the implementation of joint programs in the field of medical science and public health, scientists and specialists of both countries concluded that there is a need to concentrate their efforts on the solution of one of the most important and humane problems of modern medical science, development of an artificial heart. In view of the great theoretical and technical complexity of the work involved, the two Sides concluded a special agreement on the subject.⁵ The US-USSR Joint Committee for Health Cooperation will assume responsibility for this project.

COOPERATION IN SPACE

The two Sides expressed their satisfaction with the successful preparations for the first joint manned flight of the American and Soviet spacecraft, Apollo and Soyuz, which is scheduled for 1975 and envisages their docking and mutual visits of the astronauts in each other's spacecraft. In accordance with existing agreements fruitful cooperation is being carried out in a number of other fields related to the exploration of outer space.

Attaching great importance to further American-Soviet cooperation in the exploration and use of outer space for peaceful purposes, including the development of safety systems for manned flights in space, and considering the desirability of consolidating experience in this field, the two Sides agreed to continue to explore possibilities for further joint space proj-

ects following the US-USSR space flight now scheduled for July 1975.

TRANSPORT OF THE FUTURE

Aware of the importance of developing advanced modes of transportation, both Sides agreed that high-speed ground systems of the future, including a magnetically levitated train, which can provide economical, efficient, and reliable forms of transportation, would be a desirable and innovative area for joint activity. A working group to develop a joint research cooperation program in this area under the 1973 Agreement on Cooperation in the Field of Transportation will be established at the Fall meeting of the Joint US-USSR Transportation Committee.

ENVIRONMENTAL PROTECTION

Desiring to expand cooperation in the field of environmental protection, which is being successfully carried out under the US-USSR Agreement signed on May 23, 1972, and to contribute to the implementation of the "Man and the Biosphere" international program conducted on the initiative of the United Nations Educational, Scientific and Cultural Organization (UNESCO), both Sides agreed to designate in the territories of their respective countries certain natural areas as biosphere reserves for protecting valuable plant and animal genetic strains and ecosystems, and for conducting scientific research needed for more effective actions concerned with global environmental protection. Appropriate work for the implementation of this undertaking will be conducted in conformity with the goals of the UNESCO program and under the

auspices of the previously established US-USSR Joint Committee on Cooperation in the Field of Environmental Protection.

CULTURAL EXCHANGES

The two Parties, aware of the importance of cultural exchanges as a means of promoting mutual understanding, express satisfaction with the agreement between the Metropolitan Museum of Art of New York City and the Ministry of Culture of the USSR leading to a major exchange of works of art. Such an exchange would be in accordance with the General Agreement on Contacts, Exchanges and Cooperation signed July 19, 1973, under which the parties agreed to render assistance for the exchange of exhibitions between the museums of the two countries.

ESTABLISHMENT OF NEW CONSULATES

Taking into consideration the intensive development of ties between the US and the USSR and the importance of further expanding consular relations on the basis of the US-USSR Consular Convention, and desiring to promote trade, tourism and cooperation between them in various areas, both Sides agreed to open additional Consulates General in two or three cities of each country.

As a first step they agreed in principle to the simultaneous establishment of a United States Consulate General in Kiev and a USSR Consulate General in New York. Negotiations for implementation of this agreement will take place at an early date.

Both Sides highly appreciate the frank and constructive atmosphere and fruitful results of the talks held between them in the course of the present meeting. They are convinced that the results represent a

new and important milestone along the road of improving relations between the USA and the USSR to the benefit of the peoples of both countries, and a significant contribution to their efforts aimed at strengthening world peace and security.

Having again noted in this connection the exceptional importance and great practical usefulness of US-Soviet Summit meetings, both Sides reaffirmed their agreement to hold such meetings regularly and when considered necessary for the discussion and solution of urgent questions. Both Sides also expressed their readiness to continue their active and close contacts and consultations.

The President extended an invitation to General Secretary of the Central Committee of the CPSU, L. I. Brezhnev, to pay an official visit to the United States in 1975. This invitation was accepted with pleasure.

RICHARD NIXON

President of the United States of America

L. I. BREZHNEV

General Secretary of the Central Committee CPSU

NOTE: The text of the joint communique was released at Moscow, U.S.S.R. It was signed at a ceremony in St. Vladimir Hall of the Grand Kremlin Palace.

On the same day, the White House released the transcript of a news briefing on the joint communique by Secretary of State Henry A. Kissinger. The briefing is printed in the Weekly Compilation of Presidential Documents (vol. 10, p. 763).

During the President's visit to the Soviet Union, Ronald L. Ziegler, Press Secretary to the President, and L. M. Zamyatin, General Director of TASS, held two news briefings on the discussions conducted between United States and Soviet officials. Transcripts of the news briefings were released on June 28 and 30.

210 Independence Day Statement.

July 3, 1974

THE FOURTH of July is a uniquely American holiday. But it is also a holiday that echoes the hopes and aspirations of people throughout the world. In each of my trips abroad, I have seen tangible evidence of people's basic belief in the value of the principles that underlie our Republic, and outpouring of affection and

respect for the Nation that Abraham Lincoln called "the last, best hope of earth."

On this Independence Day, as we celebrate our Nation's birth, let us pledge that by our example, we will continue to carry to the people of other lands the basic American message of independence, liberty, and human dignity.

211 Address to the Nation on Returning From the Soviet Union. *July 3, 1974*

MR. VICE PRESIDENT, I want to express appreciation, not only on my own behalf but also on Mrs. Nixon's behalf, for your very gracious and generous words.

Governor Curtis and Mrs. Curtis and to all of our friends here in Maine, I want to thank you for giving us such a splendid welcome as we return.

I know that as I see cars parked what a real effort it is to come out to an air base. It took a lot of time and we appreciate that effort, and we thank you very much.

To each and every one of you, and to perhaps millions who are listening on television and radio, I can assure you of one thing, and that is, it is always good to come home to America. That is particularly so when one comes home from a journey that has advanced the cause of peace in the world.

We left Moscow earlier today, and as we did, there were hundreds of United States and Soviet flags flying side by side, and I thought of the fact that tomorrow millions of Americans will be flying the flag from their homes on the Fourth of July. And you will be flying those flags

proudly because of what it means in your own lives and in our lives and also because of what our flag means in the world. We can be very proud of the American flag all over the world today.

I thought also of how much more that flag means to the world because of the role the United States has been playing in building a structure of peace from which all nations can benefit, a role which was symbolized so dramatically by those flags flying side by side in the Soviet Union.

Our generation, which has known so much war and destruction—four wars in this century—now has an opportunity to build for the next generation a structure of peace in which we hope war will have no part whatever.

This is the great task before us, and this is the greatest task in which any people could be summoned. In the past month, Mrs. Nixon and I have traveled over 25,000 miles, visiting nine countries in Western Europe and the Middle East, as well as, of course, the Soviet Union. The visit to each of these areas had a separate

purpose, but in a larger sense, all of these visits were directed toward the same purpose, and they are all interacted and interconnected.

Among the nations of the Middle East, among those of the Western Alliance, and between the United States and the Soviet Union, new patterns are emerging, patterns that hold out to the world the brightest hopes in a generation for a just and lasting peace that all of us can enjoy.

In the Middle East a generation of bitter hostility, punctuated by four wars, is now giving way to a new spirit in which both sides are searching earnestly for the keys to a peaceful resolution of their differences.

In the Western Alliance, 25 years after NATO was founded, there has been given a new birth, a new life to that organization as embodied in the Declaration on Atlantic Relations that we signed 7 days ago in Brussels at the NATO heads-of-government meeting before going on to Moscow. In the series of United States-Soviet summits that we began in 1972, we have been charting a new relationship between the world's two most powerful nations, a new relationship which is designed to insure that these two nations will work together in peace, rather than to confront each other in an atmosphere of distrust and tension which could lead, if it were not corrected, to war.

At this year's summit, we advanced further the relationship that we began 2 years ago in Moscow and that we continued at last year's summit in the United States. In the communique we issued earlier today in Moscow, both sides committed themselves to this goal, the imperative necessity of making the process

of improving United States-Soviet relations irreversible.

This sums up what the whole broad pattern of our expanding range of agreements is designed to achieve, to make the improvement not just a one-day headline, not just a one-day sensation, but a continuing, irreversible process that will build its own momentum and will develop into a permanent peace.

At this year's meeting, we reached a number of important agreements, both in the field of arms limitation and also in the field of peaceful cooperation. In the field of arms limitation, three of the agreements we reached are of special note. One of those involves the exceedingly difficult question of offensive strategic nuclear arms, and this base, as we know, is involved in that particular kind of operation.

Two years ago, we signed an interim agreement on offensive strategic weapons covering the 5-year period until 1977. This year, we decided that this interim agreement should be followed by a new agreement to cover the period until 1985. We agreed that this should deal with both quantitative and qualitative aspects of strategic nuclear weapons, that it should be concluded well above and well before, I should say, the expiration of the present agreement.

We also agreed that the extensive work we have already done toward hammering out such a long-range agreement should go forward at Geneva in the immediate future on the basis of instructions growing out of our talks at the highest level during the past week.

Now, the two sides have not yet reached a final accord on the terms of an agreement. This is a difficult and a very com-

plex subject, but we did bring such an accord significantly closer, and we committed both sides firmly to the resolution of our remaining differences.

The second important arms control agreement that we reached deals with the antiballistic missile systems. You will recall that 2 years ago we agreed that each country should be limited to two ABM sites. The agreement we signed earlier today in Moscow strengthens and extends the scope of that earlier measure by restricting each country to one ABM site.

And then the third arms limitation agreement deals with underground testing of nuclear weapons. It extends significantly the earlier steps toward limiting tests that began with the 1963 test-ban treaty. That original treaty barred the signatories from conducting tests in the atmosphere, in outer space, and underwater. Today, we concluded a new treaty that for the first time will also cover tests underground. It will bar both the Soviet Union and the United States, after March 31, 1976, from conducting any underground test of weapons above a certain explosive power, and it will also require both countries to keep tests of weapons below that power to the very minimum number.

This is not only another major step toward bringing the arms race under control, it is also a significant additional step toward reducing the number of nuclear and thermonuclear explosions in the world.

Now, arms limitations, of course, are enormously and crucially important, but the work of these summit meetings is much broader, just as the nature of the new United States-Soviet relationship is much broader. This year, the important new

agreements we reached in the area of peaceful progress included new programs for cooperation between our two countries in energy, in housing, in health, and also an agreement on long-term economic cooperation designed to facilitate increasing mutually beneficial trade between our two countries.

The significance of these agreements goes beyond the advances each will bring to its particular field, just as the significance of our summit meetings goes beyond the individual agreements themselves. With this growing network of agreements, we are creating new habits of cooperation and new patterns of consultation, and we are also giving the people of the Soviet Union, as well as our own people in the United States, not just a negative, but a positive stake in peace.

We are creating a stable new base on which to build peace, not just through the fear of war but through sharing the benefits of peace, of working together for a better life for the people of both of our countries.

The United States-Soviet agreements at the summit contribute importantly to the structure of peace we are trying to build between our two countries and in the world. The continued strength of the Western Alliance is also an essential and major element of that structure and so, too, is the development of a new pattern of relationships and a new attitude toward peace in areas of tension such as the Middle East.

The fact that the NATO meeting in Brussels came midway between the trip to the Middle East and the one to the Soviet Union is symbolic of the central role that the Western Alliance must play in building the new structure of peace.

It is clearly understood by the leaders of the Soviet Union that in forging the new relationship between the United States and the Soviet Union, we will not proceed at the expense of traditional allies. On the contrary, the continued strength of the Western Alliance is essential to the success and to the process in which we are engaged of maintaining and developing the new relationship to the Soviet Union.

The development of that new relationship provides an opportunity to deepen the unity of the Western Alliance. We must not neglect our alliances, and we must not assume that our new relationship with the Soviet Union allows us to neglect our own military strength. It is because we are strong that such a relationship that we are now developing is possible.

In his first annual message to the Congress, George Washington said to be prepared for war is one of the most effective means of preserving peace. That statement is true today as it was then, and that is why all of you who are serving in our Armed Forces today are actually serving in the peace forces for America and the world. We thank you for your service.

We are prepared, we in the United States, to reduce our military strength but only through a process in which that reduction is mutual and one that does not diminish the security of the United States of America. It is to that end that we have been working.

Twenty-five years ago when the NATO Treaty was signed, it was called "an act of faith in the destiny of Western Civilization." That description was prophetic as well as accurate, and now, 25 years later, we might well say the new structure of peace we are building in the world is an

act of faith in the destiny of mankind. Like anything built to be permanent, that structure must be built step by careful step. It must be built solidly. It must be such a structure that those who use it will preserve it because they treasure it, because it responds to their needs, and because it reflects their hopes.

Two years ago in my report to the Congress on returning from the first of the United States-Soviet summits, I expressed the hope that historians of some future age will write of the year 1972, not that this was the year America went up to the summit and then down to the depths of the valley again, but that this was the year when America helped to lead the world up out of the lowlands of war and on to the high plateau of lasting peace.

And now, 2 years, two summits later, the realization of that hope has been brought closer. The process of peace is going steadily forward. It is strengthened by the new and expanding patterns of cooperation between the United States and the Soviet Union. It is reinforced by the new vitality of our Western Alliance and bringing such encouraging results as the new turn toward peace in the Middle East.

In all of our travels to which the Vice President has referred, one message has come through more clearly than any other. We have seen millions and millions of people over these past few weeks, and from their faces as well as the words of those we have seen and the thousands we have met in every part of the world, this is the message, and that is that the desire to end war, to build peace is one that knows no national boundaries and that unites people everywhere.

Something else also comes through very

loud and very clear: The people of the nations that we visited—and we saw them, as I have indicated, not only by the thousands but by the millions—want to be friends of the American people, and we reciprocate. We want to be their friends, too.

In the early years of our Nation's history, after America had won its independence, Thomas Jefferson said we act not just for ourselves alone but for the whole human race.

As we prepare tomorrow to celebrate the anniversary of that independence, the 198th anniversary, we as Americans can be proud that we have been true to Jefferson's vision and that, as a result of America's initiative, that universal goal of peace is now closer, closer not only for ourselves but for all mankind.

Thank you very much and good evening.

NOTE: The President spoke at approximately 7:45 p.m. at Loring Air Force Base, Maine. His remarks were broadcast live on nationwide radio and television.

Vice President Gerald R. Ford had welcomed the President as follows:

Mr. President, Mrs. Nixon:

It is a very high honor and a very great privilege for me to welcome you home again and to say what better way could the American people celebrate our 198th Fourth of July than with the assurance that you bring our world a little safer and a little saner tonight than it was when you left.

You know, Mr. President, that it was my lifelong goal to be Speaker of the House of Representatives until you upset it last October. The great State of Maine has given us two very distinguished Republican Speakers during the 19th century, and I would like to recall something Speaker Tom Reed said almost prophetically here in 1885, and I quote: "The reason

why the race of man moves so slowly," Speaker Reed said, "is because it must move all together."¹

From your first mission to Moscow, Mr. President, in the days that you had the job that I now have, you have seen the global dimension of peace and pursued it with patience, preparation, and performance.

As our President, you have not only demonstrated the truth of Speaker Reed's observation but you have permitted us to see much of mankind moving slowly, but perceptibly, all together in the direction of peace.

Your strategy for peace, Mr. President, has been bold but never rash, courageous but never foolhardy, tough but never rude, gentle but never soft. One by one, from China through Southeast Asia, through the Middle East, through the Soviet Union, through the NATO alliance, you have emplaced the building blocks of a solid foundation for a better understanding of international relations than we have had in our lifetime and perhaps in the history of our country.

Permit me to say, Mr. President, and say particularly to Mrs. Nixon, who has been your faithful partner throughout literally millions and millions of miles of air travel, and sometimes on her own, that she has charmed and captivated both the officials and the citizens of every country she has visited and surely is entitled to be saluted in her own right again as First Lady of the World.

Mr. President, I wished you Godspeed last week and urged all of our countrymen to pray for you, for your safety and success on this historic mission. My prayers, and those of our fellow countrymen, have been answered manyfold. I cannot escape the conclusion that the Biblical injunction, "Blessed are the peacemakers," has again been confirmed.

Ladies and gentlemen, the President of the United States.

¹ Thomas B. Reed was Speaker of the House of Representatives from 1889 to 1891 and from 1895 to 1899. James G. Blaine was Speaker of the House of Representatives from 1869 to 1875.

212 Statement on the Death of Former Chief Justice Earl Warren. *July 9, 1974*

I AM deeply saddened at the death of former Chief Justice Earl Warren. America has lost one of her finest public servants. He was a man to whom the public trust was a sacred trust. Few men have been called upon to do so much in the service of their nation, and few have performed with such distinction. Even in retirement, Earl Warren repeatedly gave his talents to the service of his countrymen.

County district attorney, State attorney general, Governor of California, candidate for Vice President of the United States, and Chief Justice of the United States, Mr. Warren gave each task his full energy and ability. Much honor was paid him, and he gave much honor in return.

Earl Warren not only rendered outstanding service to our country, but he was a distinguished figure in the Republican Party. In all things he was never a

partisan of political advantage, but always a partisan for America.

He was an articulate spokesman for the ideals he cherished. He did not invite controversy, but neither did he shun it; he fulfilled his duty as he saw it.

Mrs. Nixon joins me in extending to the Warren family our sincere condolences. While Mr. Warren's death deprives us of a good and able American, his service to America will continue to shape the course of American life for generations to come and will reflect the highest purposes of America forever.

NOTE: Mr. Warren, 83, died in Washington, D.C.

He was Governor of California from 1943 to 1952 and served as Chief Justice of the United States from 1953 to 1969.

The President attended funeral services for Mr. Warren at the Washington Cathedral on July 12, 1974.

213 Message to the Congress Transmitting Annual Report on the International Coffee Agreement. *July 10, 1974*

To the Congress of the United States:

In accordance with the International Coffee Agreement Act, as extended and amended, I transmit herewith my annual report on the operations of the International Coffee Agreement in 1973.

The overproduction and surpluses in coffee which prevailed when the 1962 and 1968 coffee agreements were negotiated no longer existed when the 1968 agreement expired on September 30, 1973. In fact, the agreement's price-quota provi-

sions had lapsed nine months earlier and it was clear that producers and consumers would be unable to reach agreement on similar provisions in a new coffee agreement. The 1968 agreement, therefore, was extended for two years effective October 1, 1973, but without its operative economic clauses.

A decade of international cooperation on coffee as represented by the 1962 and 1968 agreements should not be ignored. The prevailing atmosphere has not been

conducive to agreement on the terms of any new coffee agreement containing operative economic provisions. However, it has been felt desirable to keep together the experienced secretariat staff of the International Coffee Organization to serve as a competent authority for the collection and dissemination of coffee statistics and other information on world production, trade and consumption while maintaining a framework in which consultations on coffee and negotiations for a new agreement could take place.

In the absence of operative economic provisions in the extended agreement and with a view to effecting some control over prices, a number of the producing nations have been attempting to concert their

efforts to support coffee prices. We have repeatedly emphasized, during the negotiations for the modified extension of the 1968 International Coffee Agreement and on other occasions, our strong view that such unilateral producer actions are incompatible with the concept of international producer-consumer cooperation on coffee problems.

RICHARD NIXON

The White House,

July 10, 1974.

NOTE: The report, entitled "1973 Annual Report of the President to the Congress on the International Coffee Agreement" (12 pp. plus annexes), was published by the Department of State.

214 Exchange of Remarks With the French Ambassador About France's Gift for the American Bicentennial Celebration. *July 10, 1974*

THE PRESIDENT. This is a splendid thing that your government in France is doing.

AMBASSADOR [JACQUES] KOSCIUSKO-MORIZET. Yes, Mr. President. In 1976, the American people will be celebrating the Bicentennial of the independence of their Nation. Of course, the Bicentennial is an American commemoration. That is also an anniversary for France, the anniversary of our relations between our two countries, the anniversary of our participation in the Independence War, and the celebration of a friendship, devoted, which has never failed for all of history and has been filled with comments and advice and mutual achievements.

And because the people of France are committed to the Bicentennial of the independence of the United States, President

Valéry Giscard d'Estaing asked me to remit to you a letter presenting the American people with the sound and light spectacle, which in '76 will take place at Mount Vernon on the site of the historical mansion of George Washington.

And we think it was a proper time to make this announcement in the week between Independence Day and Bastille Day.

THE PRESIDENT. Mr. Ambassador, I want to express appreciation on behalf of all of the American people for this splendid gesture on the part of the French people and the French Government.

And would you express my personal appreciation to your President, Valéry Giscard d'Estaing, for his interest in this?

I would say that any historian knows

that had it not been for the support of France, the United States would not be independent today, and that special relationship is one that we Americans have never forgotten.

We have always stood by France, and France has always stood by us, and it will continue in the future.

Also, with regard to the sound and light programs, I think you should know that in 1963 I took a trip with my family through various parts of Europe and the Mideast, and I saw a sound and light program in three different places: one in Rome, one also in Athens, and another one in Cairo at the Pyramids. It is a splendid concept.

And I know that it is primarily due to those French who participated in developing the concept that those programs have been put on, and to have one during our Bicentennial year, to have it at Mount

Vernon, I think, is as fine a gift—we will call it that—that you can make, you and your people, to the United States.

I think hundreds of thousands, perhaps millions of Americans will come there to see it, and they will be reminded not only of our independence but of the part that France has played in gaining the independence and also of the continued French-American friendship, which is as strong today as it was that day and will remain so.

AMBASSADOR KOSCIUSKO-MORIZET. Thank you, Mr. President. I will see President Valéry Giscard d'Estaing next week. I can bring your messages to him.

THE PRESIDENT. Yes, I will look forward to seeing him sometime in the future.

Thank you.

NOTE: The exchange of remarks began at 12:35 p.m. in the Oval Office at the White House.

215 Letter to President Valéry Giscard d'Estaing of France Accepting the Gift for the American Bicentennial. *July 10, 1974*

Dear Mr. President:

I was greatly pleased to receive your letter of June 20 informing me that the people of France will present the people of the United States with a Sound and Light Spectacle for Mount Vernon in commemoration of the Bicentennial of the United States. It is especially fitting that this particular art form, which has been perfected in France for the purpose of dramatizing your country's great historical treasures, be utilized to dramatize one of America's most cherished symbols of its struggle for independence.

In acknowledging this generous gift on behalf of the American people, I join you, Mr. President, in a tribute to the bonds of friendship which have joined our two nations since the 18th Century, and which will continue to link them as we act together to forge a structure of peace in the years to come.

Sincerely,

RICHARD NIXON

NOTE: On the same day, the White House released a fact sheet on the French gift for the American Bicentennial.

President Giscard d'Estaing's letter, dated

June 20, 1974, and released with the President's letter, read as follows:

My dear President,

The forthcoming celebration of the Bicentennial of the United States stirs in France a popular and loud echo.

We treasure the memory of the historical events which associated closely our nation to the birth and the independence of the United States of America. The friendship which links our two peoples and which has been sustained and strengthened by so many ordeals we have been through side by side originated on the

land and sea battlefields of the War of Independence.

As a token of this friendship, I am pleased to let you know that we have decided to offer to the American people a "sound and light" spectacle which would take place from the year 1976 onwards, in Mount Vernon, on the site of the historical mansion of George Washington, which numerous French people, including myself, have visited.

Please accept, my dear President, the assurances of my very high consideration.

VALÉRY GISCARD D'ESTAING

216 Remarks on Signing the Congressional Budget and Impoundment Control Act of 1974. *July 12, 1974*

ON THIS occasion, I would like to speak briefly about the significance of this bill. The major problem facing the country today, whether it is abroad or at home, is the problem of inflation. This bill deals with that problem, and that problem is one that affects every American.

There are many causes for inflation, as we know, but a major cause for inflation is overspending by government, when government spends more than it takes in, in revenues. And this bill addresses that particular part of the problem because as we work together to keep down the cost of government, it means that we can help keep down the cost of living for every American.

I should say that one of the reasons we have had difficulties in the past in this respect—and I speak not only of this Administration but all administrations, Democrat and Republican—is that too often the Congress has been, and both sides in this respect, and the Executive have appeared to be, at odds.

But fighting inflation is everybody's battle. It is not a Republican battle or a

Democratic battle. It isn't the Executive's battle or the Congress battle. Everybody must fight together.

What this bill is, is the most significant reform of budget procedures since the Congress and this country began. What this bill does is to provide a means whereby the Congress and the Executive, not only now but in administrations to come, will work together to keep the budget from getting out of control.

And by working together, it means that by keeping down the cost of government, as I have already indicated, we can help every American family balance their family budgets.

I want to express, particularly, the appreciation that is due to the members of the committee who have worked a long time, as you can see from the size of this bill, to develop it. I want to commend the bipartisan spirit which motivated it throughout. And I would say finally that the same spirit of bipartisanship, that same spirit of cooperation, not only between parties but between the Congress and the Executive, will enable us to achieve two

goals: one, to see that the '75 budget in which we are currently working does not go beyond the amounts that we proposed when we first submitted it, and two, to achieve a goal in the 200th year of this Nation's history that we all want to achieve, of a balanced budget in 1976.

That is our goal; we are out to achieve it. We believe this battle can be won, but it can only be won by the Congress and the President working together.

That is why I pledge, certainly, my co-

operation in this respect, and I know, from having signed this bill and the work that went into it, that we will have the cooperation of Congress.

Thank you.

NOTE: The President spoke at 10:25 a.m. in the Oval Office at the White House. Present at the bill signing ceremony were Members of Congress, Administration officials, and members of private organizations concerned with economic matters.

As enacted, the bill (H.R. 7130) is Public Law 93-344 (88 Stat. 297).

217 Statement About the Congressional Budget and Impoundment Control Act of 1974. *July 12, 1974*

I TAKE special pleasure today in signing H.R. 7130, the Congressional Budget and Impoundment Control Act of 1974. I commend the Congress for this landmark legislation, and I pledge the full support of the executive branch in helping fulfill the great promise of this bill.

In each of my five budget messages, I have urged the Congress to review and reform its procedures for considering the Federal budget and pledged the support and cooperation of this Administration in achieving this vital national goal. During the past year, the Congressional committees concerned worked energetically and effectively with this in mind. H.R. 7130 is the result.

Under this legislation, the Congress will, for the first time, focus on overall budget totals early in the legislative process and then relate individual appropriation items to each other within a general set of spending priorities.

Budget committees in the House and Senate, assisted by a new Congressional Budget Office, will be established to

develop overall spending levels and priorities.

A tight timetable is established for Congressional action on authorizing legislation and appropriation bills, and a reconciliation process is provided to bring appropriation bills into line with prescribed overall budget totals.

In short, this bill will allow the Congress to step up to full and equal responsibility for controlling Federal expenditures.

Prior to the enactment of this bill, the Congress has had to consider a large number of separate measures with no system for establishing priorities relating to an overall spending goal. This system did not impose sufficient disciplines on the Congress to stop the passage of pork-barrel legislation or to resist the pressure of special interest groups seeking a disproportionate share of the tax dollar. Costly programs could be enacted without adequate consideration of their added burden to the taxpayer. This lack of discipline in Congressional procedures has been one of the major factors behind the sizable increases

in Federal spending over the past decade.

The Congress has wisely recognized these weaknesses and taken steps to correct them through the passage of this legislation.

There are provisions in this bill I hope will be simplified if the requirements imposed by them prove to be restrictive. The impoundment control provisions, in particular, may well limit the ability of the Federal Government to respond promptly and effectively to rapid changes in economic conditions.

Nevertheless, this bill represents a major step toward reform of the Congressional budgetary system. Its enactment is especially timely, because an excessive rate of inflation makes the need for careful consideration and control over Government spending more crucial than ever. Already the Congress has enacted, or has pending, programs which could add some \$4 billion to our 1975 budget proposals of

\$305 billion. I will have no choice but to veto bills which substantially exceed my budget.

The 1976 budget also gives us the opportunity to work together to face our fiscal responsibilities. In the near future, I will send to each department and agency their preliminary budget guidance for 1976. It will reflect a balanced budget in 1976. To achieve this balance, I plan to propose a broad range of legislation which will be needed to cut back individual programs.

I am confident that the Congress will assist me in this effort to keep spending from exceeding my proposed budget levels. H.R. 7130 will permit the high level of cooperation which will be required to achieve this critical goal.

NOTE: On the same day, the White House released a fact sheet and the transcript of a news briefing on the act by Roy L. Ash, Director of the Office of Management and Budget.

218 Remarks at a Meeting with the Wu Shu Troupe of the People's Republic of China. *July 12, 1974*

Mr. Ambassador:

We want to express our appreciation to the performers who have been here today at the White House, and I only wish that we could see the entire performance. From what I have heard, it has been an enormous success at the Kennedy Center on Wednesday night.

This is another of a series of visits between our two countries that began in the year 1972. And what we think is important is that this is another demonstration of the basic friendship between the Chinese people and the American people.

We believe that the Chinese people are a great people. We believe the American

people are a great people. And we believe that our two peoples have always been destined to be friends and never enemies. And we know that as you travel through the United States that you will certainly make many friends for the Chinese people, and we know, too, that as we have an opportunity to welcome you that you will convey to our friends in the People's Republic of China our warm good wishes to Chairman Mao, to Premier Chou En-lai, and all of our good friends whom we met in 1972.

Normalization of relations between our two countries continues to be a major goal of American foreign policy, and while

this, of course, is primarily an entertainment group, I can assure you that this symbolizes the efforts that both of our governments are making to bring our two countries closer together and our two peoples closer together.

And I would simply say finally that if I ever need a bodyguard, I will just take

these three with me [*referring to the three youngest members of the troupe*].

NOTE: The President spoke at approximately 3 p.m. in the Rose Garden at the White House.

In his opening words, the President referred to Huang Chen, Chief of the Liaison Office of the People's Republic of China, who accompanied the Wu Shu Martial Arts and Acrobatic Troupe to the White House.

219 Statement About the Death of General Carl A. Spaatz.

July 15, 1974

AS A pioneer Army aviator, as the leader of the largest single air command in the history of military aviation, and as the first U.S. Air Force Chief of Staff, Gen. Carl Spaatz served his country with courage, honor, and ability and earned for himself a place in history.

No individual deserved more credit than General Spaatz for creating the proud, independent tradition of the U.S. Air Force and for building America's supremacy in the air.

Mrs. Nixon and I join with all our fellow citizens in extending our sympathy to his wife and family, and in mourning the passing of a great patriot and a great military leader.

NOTE: General Spaatz, 83, died in Washington, D.C., on July 14, 1974.

He was Air Force Chief of Staff from 1947 until his retirement in 1948.

The statement was released at San Clemente, Calif.

220 Letter to the Chairman of the Senate Foreign Relations Committee About National Security Investigations and Wiretaps. July 15, 1974

YOUR letter of June 25 has been brought to my attention, and I welcome this opportunity to affirm my public statement of May 22, 1973, as quoted in your letter, and to add the following comments.

You appreciate, I am sure, the crucial importance of secrecy in negotiations with foreign countries. Without secret negotiations and essential confidentiality, the United States could not have secured a ceasefire in South Vietnam, opened relations with the People's Republic of China,

or realized progress in our relations on the SALT negotiations with the Soviet Union.

The circumstances that led to my decision to direct the initiation of an investigative program in 1969 are described in detail in the May 22 statement. I ordered the use of the most effective investigative procedures possible, including wiretaps, to deal with certain critically important national security problems. Where supporting evidence was available, I personally directed the surveillance, includ-

ing wiretapping, of certain specific individuals.

I am familiar with the testimony given by Secretary Kissinger before your Committee to the effect that he performed the function, at my request, of furnishing information about individuals within investigative categories that I established so that an appropriate and effective investigation could be conducted in each case.

This testimony is entirely correct; and I wish to affirm categorically that Secretary Kissinger and others involved in various aspects of this investigation were operating under my specific authority and were carrying out my express orders.

RICHARD NIXON

NOTE: The text of the letter, dated July 12, 1974, was issued at San Clemente, Calif., on July 15.

221 Special Message to the Congress Proposing Programs for Development of Government Executive Selection and Training. *July 17, 1974*

To the Congress of the United States:

Over the past four decades as the Federal Government has grown larger and more powerful, the people it serves have expressed widespread dissatisfaction that the Government has also grown increasingly unresponsive to their needs.

One of the foremost objectives of this Administration has been to reverse that trend, restoring the original vitality of the federal system and returning the traditional power of the people over their governing bodies.

At the centerpiece of our efforts has been the concept of New Federalism and the many programs such as General Revenue Sharing which help to carry out its principles.

Through revenue sharing programs, we are seeking to channel funds, authority and responsibility to those governments that are best able and willing to serve the needs of the people. General Revenue Sharing is already providing States and localities with a predictable amount of Federal funds with a minimum number of restrictions and controls. In a similar vein,

State influence has been increased through our grant program for law enforcement assistance, and we have sought to replace a score of categorical grants for manpower programs with a block grant approach. The next steps along this road should be the establishment of block grants for community development, enactment of the Unified Transportation Act, and enactment of the Responsive Governments Act.

Supporting these New Federalism initiatives has been a concurrent effort to rationalize and streamline the organization of Government departments and agencies. We have created an independent United States Postal Service, and we have established the Environmental Protection Agency, the Special Action Office for Drug Abuse Prevention, the National Oceanic and Atmospheric Administration, the Federal Energy Administration as well as other new organizations. I have also proposed to the Congress and continue to support a fundamental realignment of the executive departments.

In addition, we have established re-

gional boundaries and Federal regional councils to harmonize activities of the principal agencies disbursing grants-in-aid, and we have greatly improved Federal consultation with State and locally elected officials on the administration of federally assisted programs.

IMPROVING THE MANAGEMENT OF GOVERNMENT

Yet we recognize that even as we work to change basic relationships among Federal, State and local governments through our New Federalism efforts, it is also vitally important to ensure that the people who manage the institutions of government become as efficient and responsive to human needs as possible.

To improve general management of the Federal Government, I launched an intensive effort last year to establish clear objectives for Federal agencies and departments and to measure our progress toward meeting those objectives—not by producing a thinly veiled display of activity or by rearranging work processes but by producing specific program results. Each major department and agency has been working with me in developing objectives to be achieved throughout the year, and they are measuring specific results by specific deadlines. These commitments are continually reviewed and help to guide day-to-day operations until the objectives are met.

Today I call upon the Congress to join me in carrying forward our program of managerial reform by enacting and otherwise supporting a comprehensive series of changes to improve the quality of management at all levels of government.

Specifically, I ask the support of the Congress for my proposals to begin a

large-scale effort aimed at upgrading the training and education of government executives and to institute reforms in the personnel system by which Federal executive manpower is managed. These two initiatives should contribute substantially to the achievement of fundamental, long-term improvements in the capacity of governments to manage their programs more effectively.

EDUCATING CAREER EXECUTIVES

I propose that we give first attention to improving the means by which our current managers and executives learn the art of public management. Such learning comes from both work experiences and formal education and training. Because of the lack of appropriate emphasis, many of our career managers and executives have not had the benefit of recent education or training in modern methods of management. American business and industry have proved that education and training in management improves the capacity of people to lead more effectively. The level of investments in this type of training made by progressive private employers greatly exceeds public sector investments for the same purpose. It is time that government caught up.

Therefore, I am taking three related actions:

First, I am instructing the Civil Service Commission to establish a Program Management Fellowship with selected colleges and universities for postgraduate educational programs for Federal executives. I shall recommend to the Congress an appropriation of \$10 million for the first 250 Federal participants in this program. This sum will pay for both tuition and salaries of those in the program. In this program

our best career employees will increase their managerial perspective and expertise and will learn more effective ways of administering significant governmental activities such as delivery of health care, transportation, and community development.

Special program emphasis of this kind, when coupled with curriculum offerings in up-to-date management, will equip our public executives to meet the demands of highly complex programs so that they will deliver what they promise to the American people. To support the planning, installation, and continuing conduct of these special educational programs and to ensure that the best candidates are selected on a competitive basis, I propose that they be centrally financed and administered by the Civil Service Commission.

Second, I propose to increase the management capability of State and local program managers through additional postgraduate education. Under the authority of the Intergovernmental Personnel Act, State and local government personnel will have the opportunity to collaborate with their Federal colleagues in the Program Management Fellowship if they so choose. Having key leaders from Federal, State, and local governments learn together about management as it applies to their program responsibilities should improve the program delivery capability at all levels of government. To support this new program, to increase the level of short-term management training available to State and local managers, and to continue to improve personnel management will require amending the Intergovernmental Personnel Act (IPA) and a doubling of the current \$15 million appropriation request for the IPA Program. With these funds it will be possible to educate,

through long-term programs alone, approximately 250 State and local managers a year, while paying a portion of their salaries. I hope this approach will encourage State and local governments to increase their own development and training of executives.

My third proposal is to accelerate the management development of career Federal executives through short-term training courses. I am asking the Civil Service Commission to move promptly to acquire a permanent facility for the Federal Executive Institute on the professional and graduate grounds of the University of Virginia. The Federal Executive Institute has already demonstrated its value. Now it is time to enlarge its capability. The Institute would be enlarged and have its functions expanded to handle the knowledge and skill needs of our future executives. The Federal Government looks forward to cooperating with the State of Virginia in this effort.

IMPROVING CAREER EXECUTIVE PERSONNEL SYSTEMS

Executive performance in the Federal government is currently hampered by a cumbersome, fragmented personnel system, by weak selection procedures, and by the absence of financial incentives for career employees. To rectify these conditions, I am taking four actions.

Federal executives are employed under a number of appointing authorities which make the effective management and utilization of this valuable resource very difficult. There can be no comprehensive, periodic review of each agency's total need for positions by either the Civil Service Commission or the Congress. Further, the manner in which a majority of these

people are classified and paid is unreasonably inflexible and provides limited opportunity to recognize differences in individual performance and ability.

The Congress has given preliminary consideration and provided advice on the first proposal the Administration made to reform the executive manpower management system. I soon will be sending to the Congress new legislation which incorporates earlier Congressional views. The new Executive Personnel System I propose will:

1. Provide flexibility to assign senior career executives where they are most needed;
2. Compensate on the basis of individual capability within broad salary bands;
3. Remove the current, inflexible quotas and other statutory allocations applicable on the number in the highest three grades, but maintain a responsible oversight on the total number;
4. Recognize the distinction between the executives with career commitments and those temporarily working for the Government; and,
5. Improve the overall management of our total executive resources by providing for a comprehensive annual analysis and review by the Congress and the executive branch.

Enactment of this legislation would provide the means to build and maintain an effective and responsive Federal executive work force. I urge early and favorable consideration by the Congress.

Second, I strongly urge prompt congressional action on the recommendation for pay increases for Federal executives that I submitted on May 7, 1974. The failure of the Congress to approve higher salaries for the executive, legislative, and

judicial branches has created a severe problem within the Government that needs to be remedied quickly. Some 10,000 executives are now paid the same salary. This pay compression denies fair increases in compensation and the incentive to seek greater responsibility. For many of the top staff within the Government, it has become financially more rewarding to retire than to remain in the Federal service. Failure to relieve this situation may well lead to a serious decline in the quality of our management capability.

Third, to insure that those individuals entering our executive ranks in the future are managerially fit, I have asked the Civil Service Commission to improve the criteria by which individuals are judged for those positions. There must be assurance that these individuals have been adequately prepared to handle their new responsibilities. While technical competence will remain a factor in filling executive positions with leadership responsibilities, demonstrated managerial capability will be more heavily weighed in the future.

Finally, I am calling for and supporting new and original efforts to reward outstanding performance among our executives. We do not offer our executives strong personal incentives to be aggressive and achieve results. Often our most deserving and promising civil servants leave the Government in search of employers who are better able to recognize and reward their ability. We cannot afford to lose such people.

Therefore, I am directing that the Incentive Awards Program be more widely utilized to recognize outstanding managerial performance. There will be experimentation with group awards that executives can selectively use to reward

subordinate managers who are especially effective. But awards for outstanding individual executive performance will also continue. We must overcome traditional reluctance to use these legislative authorities to reward executive excellence.

BUILDING FOR THE FUTURE

Both the Congress and the President must act responsibly to create an executive work force at the national level that is second to none. There is no more demanding nor vital career than executive management in the Federal service. We should act now in order to achieve the long term reforms that build and maintain an executive corps capable of dealing with the policy and management complexities of the future.

The new initiatives I am taking and the legislation I am proposing are designed to build upon the efforts made by this Ad-

ministration over the past five years to reform the management of government programs. Within the past year, significant progress has been made to make the investments necessary to develop our finest career managers and executives. We must not imperil the future by failing in our duty to prepare career executives to carry out their responsibilities with skill and wisdom.

What I am proposing is an essential part of my efforts to enable governments, at all levels, to deliver what they promise. Not everyone can manage the public's business. The measures I am today proposing will develop those who can.

RICHARD NIXON

The White House,

July 17, 1974.

NOTE: The text of the message and a fact sheet on Government executive development were released at San Clemente, Calif.

222 Statement on the Death of Dizzy Dean.

July 17, 1974

TO MY generation of Americans, Dizzy Dean will always be remembered as the blazing young fastballer who led the Gas-house Gang of St. Louis to the pinnacle of baseball glory. To the young, Dizzy will also be remembered as the sportscaster who brought an extra touch of excitement and color to every game he covered. Dizzy Dean was indeed a man for all gen-

erations. And America is saddened today by his death.

Mrs. Nixon and I join sports fans everywhere in mourning the loss of this legendary figure.

NOTE: Mr. Dean, 63, died in Reno, Nevada.

The statement was released at San Clemente, Calif.

223 Remarks to Members of the National Citizens'
Committee for Fairness to the Presidency. *July 18, 1974*

THE PRESIDENT. Rabbi Korff.

RABBI BARUCH KORFF [president of the committee]. Mr. President, good evening, sir.

THE PRESIDENT. It is good to hear your voice.

RABBI KORFF. Thank you so much, Mr. President.

If I may, just for a moment before you proceed, read to you the sentiments of this assembly.

Dear Mr. President, those who have admired you since your political youth can now only paraphrase Robert Frost: We do not find you changed from him we knew, only more sure of all you thought was true. Sure that your country has both the will and the resources to sustain its freedom at home and share its bounty abroad. Sure that any government of the people must be close to their supervision, bound by their frugality, and limited to their purpose. Sure that the people's rights can be protected only by a Constitution plainly read and strictly interpreted. Certain, despite your detractors, that history is shaped by the stalwart and vindicates the brave. Indeed, in your case, history's verdict is already clear.

Now, Mr. President, we are all ready to listen to you.

THE PRESIDENT. Well, first I want to extend to you, Rabbi Korff, and all of our very distinguished friends tonight, our appreciation not only for your warm words but also to each of you for attending this dinner.

I regret that Mrs. Nixon and I were unable to attend the Second Citizens' Congress, but I can assure you that the Nixon family will be well represented, because I talked to Julie a little earlier in Indianapolis, and she is flying in from her job there and will be there to represent the family.

And I think you will agree, all of you, after you hear Julie, that no President could have a better personal representative than Julie.

Your efforts to build a grassroots organization, Rabbi Korff, with 2 million members reminds me of something that General de Gaulle once said—it is one of my favorite quotations. He said that France is never her true self unless she is engaged in a great enterprise. That was true of France, of any great nation.

Here in America, we have all been guided by that same sense of national purpose, and what has made America the great nation it is today is that our people have always devoted themselves to great enterprise, enterprises greater than themselves.

In these difficult times, when world peace depends so fundamentally upon the strength and the unity of America, you have joined together, Democrats and Republicans, to support an office which is bigger than any party, the Office of the Presidency of the United States.

And I know that each one of you has made a personal sacrifice to further that great enterprise. I realize, from having

talked to Rabbi Korff, that caravans have come all the way from California, from States in the Mountain States, the Midwest, the Northeast, and I am very grateful for the fact that all of you have done this on your own expense because you believe in something.

I am particularly indebted to you for personal reasons. But others will follow me in this office, beginning in 1977 when I shall have finished my term of office to which I was elected. And those future Presidents will thank you, all of you in this group tonight and your hundreds of thousands of colleagues across the Nation, for rallying behind the Office of the Presidency at this crucial time.

You have persisted under the most adverse and sometimes the unfairest sort of criticism. You have never wavered. You have not lost your faith when many would like to see you do so. And you have not quit when quitting might have been easier, and you are not going to quit, because we are going to continue until we win.

As long as you have this kind of strength in fighting for a cause you believe in, a cause bigger than yourselves, as long as America has this kind of strength, we shall never fail to remain, in Lincoln's words, "the last, best hope of earth."

I also want to express my appreciation for the tribute you are paying tonight especially to members of the White House Staff and others within the executive branch. The men and women you are honoring deserve the praise of all Americans, for they are unstinting but often unsung in their service to the country, service that most of them render at great personal sacrifice. And by your support for them and for the Office of the Presidency, you make it possible for all of us

to carry out our responsibilities more effectively.

While I know Rabbi Korff would not want me to have this personal reference, I do think that all of those with whom he has worked will appreciate it, as I do. Rabbi Korff's eloquence, his intelligence, his dedication have been a great source of strength to me and all of us in these difficult times.

I want to thank each and every one of you for your friendship and support. I just wish I could be there to shake hands with each of you and to thank you personally.

And I say in conclusion, let us continue to work together, because together we shall keep America on its great mission of bringing a new era of peace with justice for the world and progress and opportunity for every American at home.

Thank you very much.

RABBI KORFF. Would you listen, Mr. President, to the response of the people.

(Crowd chanting "We love Nixon.")

Mr. President, I am happy to tell you that more delegates than we expected have arrived, and the overflow had to be accommodated in additional ballrooms. We are very grateful for the spirit that unites us and very grateful for the leadership you have given us, and we love you dearly.

THE PRESIDENT. Well, I can't tell you again how very much I have appreciated all the work that has gone into not only this dinner but also the hours and hours and days and days of work that have gone into all of your efforts to date. And you can be sure that I shall do everything that I can to be worthy of your trust. And you can be sure I shall not let you down.

RABBI KORFF. Mr. President, may I, with your kind permission, as you pointed out your White House Staff, I would like

to read to you our resolution in recognition of your staff. May I, Mr. President?

Without the slightest apology to those who have already preempted the phrase and distorted it, we honor all the President's men, especially those who, for performing their duty with loyalty and courage, have provoked the wrath of all his enemies. These men, and the women, too—as I look at Anne Armstrong—it should be noted, have defended not only their chief but also the prerogatives and independence of his office.

In so doing, they have aided both Mr. Nixon and his successors to the Presidency, whoever they may be. As the future generation recalls with horror this year's assault upon our constitutional heritage, it will remember, too, that the President was not alone in his ordeal, but was well and faithfully served by the young and not so young, in civilian and military dress,

with accent Southern or Yankee or even more exotic.

As the President's bold determination strikes our admiration, so their steadfast sense of purpose must provoke our emulation.

Mr. President, may we take leave of you now?

THE PRESIDENT. Yes, and our very best to everybody who is there again, and we will be hoping to see you all personally.

RABBI KORFF. Thank you very much.

NOTE: The President spoke at 5:31 p.m. by telephone from San Clemente, Calif., to the committee's meeting at the Shoreham Americana Hotel in Washington, D.C.

On July 16, 1974, Rabbi Korff called on the President at the Western White House to present him with a copy of a book he had written. On the same day, the White House released the transcript of a news briefing by Rabbi Korff on his visit.

224 Statement on Signing the United States-Spanish Joint Declaration of Principles. *July 19, 1974*

I AM very pleased to sign today this important document which highlights the close relations which the United States and Spain have had for over 20 years.

This declaration articulates the fundamental principles which govern the cooperation between our two countries in many fields and proclaims our intention to continue this cooperation in the future. It also recognizes that the other nations of the North Atlantic area have benefited from our cooperation, especially in the field of security where our mutual endeavors have strengthened the cause of peace.

This declaration not only outlines our

successful efforts in the past to work together for the security of both countries, but it addresses also the challenges of the future. In this regard our two countries are determined to expand our cooperation across broad ranging areas of mutual interest—such as the fields of scientific, economic, technical, and cultural cooperation—as well as in the collective defense effort.

I feel that the signing of this declaration, which was initialed last week in Madrid by Foreign Minister Cortina and Secretary Kissinger, marks an important milestone in the cordial relations between

the United States and Spain. As friendly partners, we believe that our close association will benefit the peoples of both our countries and that our common effort will be of benefit to all who desire peace and progress in the world.

NOTE: The President signed the joint declara-

tion in a ceremony at the Western White House, San Clemente, Calif.

Prince Juan Carlos, interim Chief of State in Spain, signed the joint declaration at a ceremony in Madrid, Spain, on the same day.

The statement was released at San Clemente, Calif.

225 Exchange of Remarks With Former Astronaut Neil A. Armstrong About United States Space Week. *July 19, 1974*

MR. ARMSTRONG. Mr. President, you have proclaimed this week to be United States Space Week in conjunction with the fifth anniversary of our first successful landing on the Moon. It is my privilege to represent my colleagues, the crewmen of Projects Mercury, Gemini, Apollo, and Skylab, and the men and women of NASA and the hundreds of thousands of Americans from across the land who contributed so mightily to the success of our efforts in space in presenting this plaque which bears the names of each individual who has had the privilege of representing this country in a flight above the surface of the Earth.

THE PRESIDENT. Well, thank you very much, Neil.

It is hard to realize that 5 years ago we had the dinner in Los Angeles honoring the crew of which you were the captain, but in that period of time, there have been so many more who have gone to the Moon and who are now participating, of course, in the new projects which will culminate in the joint Soviet-American enterprise in 1975.

Five years ago, I don't think we would have anticipated that would happen, although I know you expressed at that time,

you and your colleagues, the hope that what we were doing in space would be shared with other people throughout the world. And that is exactly what we are doing.

I think it is also very generous of you, but very appropriate to point out that there are the names of a very few, very courageous and able and intelligent people, including, of course, yourself, on this plaque. They could not have done what they did without the backing of some 400,000 people who have, at one time or another, been engaged in the space program.

And so, this plaque will represent the efforts of all of those who have made our program possible, that have made the United States first in the exploration of space.

We will put it in an appropriate place in the White House so that the thousands of visitors who come through there will be able to be reminded, particularly in this next week or 2 weeks, of what we have done in the field of space.

And finally, I would say this: that there are those who might wonder, was it worth it? We are now finding that in terms of even practical application, apart from exploration, that it was worth it.

As you were telling me just a few moments ago in the office, the areas of geology, of topography, predictions with regard to the weather, and needless to say, in communications, all of these have received a tremendous input that they would not have had unless we had had the space program.

In addition, there is the fallout, technologically, which cannot be estimated in terms of money, technologically, because of the contribution of the space program. The most important, I think, the greatest contribution of this program is not exploration and it is not the technology, where we are getting benefits that are material, but it is the spirit that you and your colleagues in the program have had the op-

portunity to demonstrate to the American people and to people all over the world.

We are proud of the men who have gone to space, we are very proud of all of those who helped you make it possible to go into space. Without a great challenge you can't be a great person, and we have demonstrated through this program, and we congratulate you again 5 years later, you and your colleagues, for all that you have done.

NOTE: The exchange of remarks began at 12:25 p.m. at the Western White House in San Clemente, Calif.

On July 13, 1974, the President signed Proclamation 4303, designating the period July 16 through July 24 as United States Space Week, 1974.

226 Letter Accepting the Resignation of Herbert Stein as Chairman of the Council of Economic Advisers.

July 19, 1974

Dear Herb:

I have your letter of July 1, and though I have known of your plans for some time, it is nevertheless with reluctance and the deepest personal sense of regret that I accept your resignation as Chairman of the Council of Economic Advisers, effective on a date to be determined.

With your departure, I am losing an immensely valued economic adviser who has served this Administration with unqualified dedication, and who for nearly three years has guided the Council with great distinction as its Chairman. It has been a period of exceptional challenge but also unusual opportunity for economic policy, and I believe we have accomplished much in relation to the size of the

problems which have confronted us. Your participation in the crucial decisions during this time has clearly left its imprint on our economic policies and, I am confident, it will leave a favorable mark on the Nation's economic history.

Through your regular reports, I have been kept well informed about the economy, and the analyses you and the Council have provided me have given valuable insights into complex economic issues. I have especially admired the skill, clarity and substance with which you have been able to carry out the difficult but essential responsibility of explaining the economy and our policies to the public. I know your many friends and colleagues throughout government join me in saying

your sound counsel and experienced leadership on economic matters will be greatly missed.

As you assume your new position at the University of Virginia, I welcome this opportunity to express not only my appreciation for your outstanding contributions to the well-being of our Nation, but also my thanks for the loyalty and dedication you have given me personally. This has meant a great deal. You may be certain we will take advantage of your proximity to call upon your talents in the future. In the meantime, Pat joins me in extending to Mildred and you our heartfelt good wishes for every success and happiness in the years ahead.

Sincerely,

RICHARD NIXON

NOTE: Mr. Stein's letter of resignation, released with the President's letter at San Clemente, Calif., read as follows:

Dear Mr. President:

My departure having been delayed three times, the day is approaching when I must leave the Chairmanship of your Council of Economic Advisers to take up my professorship at the University of Virginia at the beginning of September. I want on this occasion to thank you for the consideration you have shown me and the confidence you have placed in me. No CEA Chairman could want a more supportive

and understanding President than you have been.

You have been responsible for conducting U.S. economic policy during a turbulent period, when the whole world was swept by storms of inflation. Your policy has been firm and decisive. The results have surely not been all we would have liked, but there has been no serious recession, inflation is less violent than in most other developed countries, and the U.S. has a good prospect for reducing its inflation rate. The real incomes of the American people are higher now than they have ever been except briefly in 1973, and will undoubtedly move on to new heights. You have taken steps toward reforms of many aspects of policy, domestic and international, that will strengthen the American economy and the world economy in the future. If there is support for persisting on your present anti-inflationary path the record of your terms will stand high in objective histories of the American economy. You will be recognized as a world leader in the fight against the economic disease of democracies—inflation, just as you are a world leader in the fight against the political disease of nations—wars.

To serve you has been a pleasure and a privilege. It is with deep regret that I shall leave the stimulating life in the Executive Office and the group of dedicated men and women in the Administration who are assembled to serve the Nation under your guidance.

Please be assured of my continued best wishes and support.

Sincerely yours,

HERBERT STEIN

227 Remarks at a Dinner in Bel Air, California, Honoring the President. July 21, 1974

Roy, Mrs. Ash, and all of our very distinguished friends:

I am very grateful, certainly, for those words that the Director of the Office of Management and Budget has just spoken. And I speak not only for myself but for Pat and for Tricia and Ed, for his remembering them as well.

And I am particularly grateful that he gave us the opportunity on this trip to California to meet a number of people who we have known for a great many years. In fact, most of you are about as old as I am. And when I think of the campaigns going back 27 years and see some who were even here then, I realize

how long we have worked together and fought together for good causes.

I want you to know, too, that the only regret I have on such an occasion like this is that we can't have the opportunity to sit and chat with each of you, as we have here at this table. But when there are 150 people, you can have only one table for 8, and consequently, that opportunity is denied us.

And I suppose that many of you out there, all of whom, of course, we met in the receiving line, wonder what we talked about.

I would normally say that on such an occasion that when you see the President of the United States and his wife at a table with six other people, well, they talk about the very things you are talking about—what happened at the Bohemian Grove¹ before you came down, you wonder whether that swimming pool is really there under you or not, and you hope the boards don't break because that is a swimming pool you are all sitting on there, you know.

And you wonder about the fact that Roy Ash is probably the only person in this great city or in this Nation who has his own tent.

He owns the tent. I mean, he doesn't rent it, he owns it himself, he constructed it. That, among many other reasons, is one of the reasons we made him Director of the Office of Management and Budget.

But tonight, it would be of interest for you to know that as you saw two or three members of the White House Staff come

¹ The Bohemian Grove was a redwood grove in northern California owned by the Bohemian Club of San Francisco and site of the club's annual encampment.

up and speak to me, that we had had some very serious international problems over the last few hours—I should say, the last several days.

And at this time, it appears that there are some very hopeful signs and that a very positive announcement will be made, perhaps before we finish this dinner, be made from Washington in the State Department.

I will not indicate to you what the nature of that announcement is, except to say this: that in this rather tragic struggle, it could have been much more tragic and would be if it were to be allowed to continue between two friends and allies of the United States, arising over Cyprus.²

This struggle is one that could only be averted by the leadership of the United States of America. This is true in all parts of the world today. American leadership is the key to whether or not nations that could be at swords' point, nations that could be engaged in war against each other, may find a way to get along, to avoid war, and in this instance, of course, our goal has been, as you have noted, to attain a cease-fire between Greece and Turkey before it exploded between these traditional enemies in times past, but two nations that have been friends and NATO partners over the last 27 years. This certainly is a goal that we are rightfully dedi-

² On July 20, 1974, Turkish troops invaded the island of Cyprus in response to the ouster, on July 15, of Archbishop Makarios, President of Cyprus, by troops of the Cypriote National Guard led by Greek officers. A cease-fire agreement was reached on July 21 between the governments of Greece and Turkey, after which further negotiations on the situation were held in Geneva, Switzerland, under the auspices of the United Kingdom.

cated to, both from the standpoint of the great NATO alliance but also from the standpoint of two nations involved.

And so, I hope that this announcement, which will be made in Washington within the next few minutes, is one that will be followed by the action that we all desire, a cease-fire, and then the process of developing again a friendly relation between two nations who are our allies and our friends and, of course, are essential to the whole great NATO alliance which is the cornerstone of America's foreign policy and the free world's foreign policy in all of Western Europe.

Now, so much for the serious things that we talked about. There were many other things as well, but since we are off on this track for a moment, just let me say that as I look back over the 5½ years that Roy has referred to—and as a matter of fact, he really counts those days; I hadn't realized that it is just 2½ years, but you see, he keeps the budget and he knows all about that sort of thing—but I realize as we look at America's role in this potentially explosive struggle between Turkey and Greece, the role that we are playing and will continue to play, that looking back over the past 5½ years that all of us, as Americans, regardless of our partisan affiliation, can be proud of the role America, our country, has played in making this world a safer and better place for all people on it, not just for ourselves.

I don't refer just to the event that means the most to most Americans, because it—our friends and our families and so forth, I mean the ending of the war in Vietnam, the fact that our young people are not being drafted, these are things that we all understand. But difficult, long, arduous as that terrible struggle was, we

have to realize that other developments have occurred over the past 5½ years that will have far more lasting and far greater effect in terms of building a peaceful world than simply ending that war on the kind of a just and honorable basis that was essential if we were able to continue to play the role of world leader.

I refer, for example, to events that didn't seem possible 5½ years ago: the new relationship with those who rule over one-fourth of all the people of the world, the People's Republic of China; the new relationship with the Soviet Union in which we now have had three summit meetings—a fourth one to be scheduled next year—and in which—while we still recognize that with the Soviet Union, as with the People's Republic of China, we have great philosophical differences, differences that are not going to be changed by any kind of agreement that we may enter into—that nevertheless we have been able to develop and are developing means whereby peoples with different governments, different systems of government, different principles, different ideals, can settle those differences peacefully and can work together rather than against each other to build a more peaceful world.

I could refer also to more recent events. Many of you followed the trip to the Middle East. And I think most Americans perhaps were rather surprised to see the great outpouring of real friendship for the United States of America that was apparent every place that we went, not just with Egypt—Cairo and Alexandria—where in the space of 2 days, there were perhaps 6 to 6½ million people by most estimates out, but in all the other capitals that we visited, Saudi Arabia, Syria—Damascus, the oldest inhabited city in the

world that has been inhabited continually—and of course, Jerusalem, and then finally in Amman, Jordan.

The fact that an American President—and here it was not just the man, it was more than that, it was the United States of America as the leader of the free world—that we have after so many years of difficulty with many of these nations were received in that way, tells us something about America's role in the world.

Let me put it quite bluntly. We have made our mistakes in foreign policy over the years. Looking at this century, when we consider the four wars in which we have been engaged, we can be proud that the United States has always fought to defend freedom and never to destroy it.

We have always fought to keep the peace, to bring peace, and never to break the peace. And consequently, the United States, in all parts of the world, is respected. The United States, in most parts of the world, is not only respected but there is real affection for the American people and for our government. And in any event, we are not feared, not feared in terms insofar as any fear that the United States would use its great power and its great wealth for the purpose of conquest or destruction or breaking the peace.

As we look back over those events and as we look at the current problem that we have in the Mediterranean, I would only suggest this: that we Americans are a very impatient people. We like to think that there is an instant solution to every problem, and we are impatient when we get a war over with; peace, isn't it wonderful, we can just take it for granted.

We must recognize that for the balance of our lives, for the balance of this century and, perhaps, well into the next cen-

tury—and no one can look further than that, but certainly well into the next century—a strong, responsible United States of America is indispensable if peace is to be kept in the world. There is no one else that can play that role. There is no other nation in the free world that can take up that great responsibility, and so we have that responsibility.

We believe over the past 5½ years that we have met it and met it reasonably well. We think more progress has been made in that period toward building a peaceful world than has been made in any similar period, certainly in this century and probably in this period of modern civilization.

There is a chance now, a very real chance that due to the profound changes that have been made—the new relations with the People's Republic of China, the new relationship with the Soviet Union, the beginning of a peaceful era in the Middle East—that as a result of these profound changes, the chance for peace to survive on a world basis is better now than it has been at any time in this century.

And yet, anytime that we say that, when we have an incident like the one that has occurred over the past few days involving America's friends and allies, it shows us how fragile that structure is. It shows us how much it needs constantly to be tended. It shows us how important it is that not only the United States of America but particularly the leadership of the United States of America assume the responsibility of world leadership which is ours and never back away from it because that might be the easier course.

It also explains something else that I think is very important that Roy has touched upon tangentially, at least, and that is apart from the man, the Office of the Presidency must never be weakened,

because a strong America and a strong American President is something which is absolutely indispensable if we are to build that peaceful world that we all want.

This brings me to one other point that I want to mention here tonight, particularly in Roy's presence and in the presence of so many other people in the Administration who are out here with me, and it is very simply this: that in order for the United States to play the role it does in the world, we not only need the military strength, we not only need the diplomatic skill, but essential to that role is an America that maintains the position of world leadership, and this we have without any question.

We can argue about whether we are number one or number two in this or that or the other area, but economically the United States is the wonder of the world. We can say that despite the problems we have—the energy crisis through which we have passed and are still passing to an extent, the problem of inflation, which is a world problem incidentally—and having met with most of the world leaders recently, I can assure you that I wouldn't trade their problems for ours anytime, as difficult as ours are. But in order to maintain that strong economy, it is necessary to have responsible leadership, and it is necessary to make some very hard decisions.

Roy Ash is one of those men that has to make a lot of them. He is a man that has to say no, no to a spending program that might help some of the people, but would raise the cost of living for all of the people. And when we have to make, as we will, some very hard budget decisions in the next few weeks and months, it will be necessary for us to veto some spending bills that the Congress is inevitably going

to pass, far exceeding our budget. Just remember we do that not because we like to say no to some good cause, but because the greater cause is the whole problem of inflation which affects every person in this country. We are out to win that battle, and we can't win it unless we start right with the Government of the United States itself.

I can assure you that with the leadership of men like Roy Ash and Herb Stein, who is here tonight, and the rest, we are going to set the example in Washington of fighting the battle of the Federal budget so that people can win the battle of the family budget at home.

And Roy, we thank you for your leadership and all that you have meant in this respect. Now, before you cheer too long, you must remember that you may be writing Roy a letter one of these days saying, "Why did you cut this program or that one?" Remember, we told him to, and you applauded it here tonight. And he will not do anything, you can be sure, unless I am backing him, and I will back him all the way, just as he backs the Administration.

Let me just conclude with two personal thoughts. One, as we stand here in this beautiful home in Bel Air, I think of the sacrifice that men like Roy Ash and his wife and his family have made to come to Washington to serve there. Obviously, it is a financial sacrifice, but also it is a personal sacrifice. I haven't been to the Ash home in Washington, but I can't imagine it is like this. It is probably very nice, but it couldn't be like this.

And I think, too, of the dedication of people that have done that. There are many in this room that I could mention who have served in this Administration: Dave Packard is over here, Bob Finch,

Herb Klein, Charlie Thomas, Fred Russell, and others.³ They are legion. But what is vitally important for us to all remember is this—we think in terms of those that hold the highest office, the Presidency of the United States and all the glory, even though it has sometimes many very great burdens, burdens which we assume without any complaining about them, because that is part of the job—but we have to remember that for this government of ours to work effectively, it takes men and women of great dedication, willing to sacrifice a great deal, willing to take a lot of unfair criticism, which they do, if they do anything worthwhile, to come to Washington and do a job.

And I just want to say that I have been very proud of the people we have had in our Administration for their dedication. I have been proud of the hard work they have put in. When people, say, look at our record in the field of foreign policy or look at what we have accomplished in this or that or the other area, I can just assure you this: It isn't done simply by one individual, it is done because there are hundreds of people in the top leadership and, of course, thousands throughout an administration, many of whom I never get a chance to meet and thank personally, who are also working.

And so, I pay a tribute not only to Roy,

³ David Packard, Deputy Secretary of Defense (1969–1971); Robert H. Finch, Secretary of Health, Education, and Welfare (1969–1970) and Counsellor to the President (1970–1972); Herbert G. Klein, Director of Communications for the Executive Branch (1969–1973); Charles S. Thomas, Chairman of the National Tourism Resources Review Commission (1971–1973); and Fred J. Russell, Under Secretary of the Interior (1970–1971) and Ambassador to Denmark (1971–1972).

to his family, but to all of the other Administration families who are here tonight, and my thanks to them.

And finally, to all of you: I mentioned that we go back a number of years—I look around here, and I don't see any of you looking a bit older than I remember when I campaigned the old 12th Congressional district out through San Marino in that area, and some who live there, I remember. Then, when I campaigned the State of California for the United States Senate and I met most of you then if I hadn't met you before, in 1950, and then of course, the Presidential campaigns, the Vice President campaigns and the rest.

You wonder sometimes, and I am often asked, you know, how do you really take the burden of the Presidency, particularly when at times it seems to be under very, very grievous assault. Let me say, it isn't new for it to be under assault, because since the time we came into office for 5 years, we have had problems. There have been people marching around the White House when we were trying to bring the war to an end, and we have withstood that, and we will withstand the problems of the future.

People wonder, how does any individual, in these days when we have very high-pressured campaigns, usually, in the media and the rest, taking on public figures, how does an individual take it, how does he survive it, how do you keep your composure, your strength, and the rest?

Well, there are a number of factors. First, you have got to have a strong family, and I am very proud of my family. But the second thing is, you have got to have also a lot of good friends, people that you have known through the years, people who write you, who call you, or who see you and say, "We are sticking by you."

And I can assure you that no man in public life—and I have studied American history rather thoroughly—has ever had a more loyal group of friends, has never been blessed with, certainly, a more loyal group of friends who have stood by him through good days as well as tough days than I have.

And I am just very, very proud to be here among our California friends and to say from the bottom of my heart for all the years past and for all the years to come, thank you very much.

NOTE: The President spoke at 8:27 p.m. at the home of Mr. Ash.

228 Statement Announcing Intention To Comply With Supreme Court Decision Requiring Production of Presidential Tape Recordings. July 24, 1974

MY challenge in the courts to the subpoena of the Special Prosecutor was based on the belief it was unconstitutionally issued and on my strong desire to protect the principle of Presidential confidentiality in a system of separation of powers.

While I am, of course, disappointed in the result, I respect and accept the Court's decision, and I have instructed Mr. St. Clair to take whatever measures are necessary to comply with that decision in all respects.

For the future, it will be essential that the special circumstances of this case not be permitted to cloud the rights of Presidents to maintain the basic confidentiality without which this office cannot function.

I was gratified, therefore, to note that the Court reaffirmed both the validity and the importance of the principle of executive

privilege—the principle I had sought to maintain. By complying fully with the Court's ruling in this case, I hope and trust that I will contribute to strengthening rather than weakening this principle for the future—so that this will prove to be not the precedent that destroyed the principle, but the action that preserved it.

NOTE: The statement was read at approximately 4:15 p.m. on live nationwide radio and television by James D. St. Clair, Special Counsel to the President, from the Laguna Beach Press Center in the Surf and Sand Hotel, Laguna Beach, Calif.

Mr. St. Clair's remarks accompanying the statement are printed in the Weekly Compilation of Presidential Documents (vol. 10, p. 829).

For related court documents bearing on the Supreme Court decision, see the Weekly Compilation of Presidential Documents (vol. 10, pp. 473, 562, 597, 602, 657, 710, and 772).

229 Address to the Nation About Inflation and the Economy. July 25, 1974

Mr. Smith, all of the very distinguished guests on the podium and in this audience, and all of the millions listening on television and on radio:

I want to discuss today the major problem confronting America—inflation.

And I want to discuss where we are in the fight against inflation, how we got

here, and what we are going to do about it.

Let me begin by touching briefly on the nature and causes of the inflation we have been experiencing.

Basically, we and the other industrialized nations have had a generation of inflation, because governments all over the world, for a long period of time, have permitted and encouraged the demand for goods and services to outrun the capacity to meet that demand with rising production.

Governments have repeatedly increased their own spending more than taxation. They have added to the demand without making a balancing cut in private spending. They have created new money to finance more borrowing and investment than people were willing to finance out of their savings. Now, all of this has added to the upward pressure on prices.

The great worldwide surge of inflation in the past year and a half was caused by three exceptional circumstances coming at once.

One was a decline in world grain production as a result of bad weather in many areas of the world. Another was the oil embargo, together with the action of the oil-exporting countries in suddenly quadrupling oil prices. And the third was a simultaneous economic boom in the industrialized nations, which increased demand for goods far beyond the capacity to produce them in those nations.

Now fortunately, although other inflationary pressures continue, food production now has increased. The oil embargo has ended. World oil prices have leveled off. The worldwide economic boom has slackened.

And so, these particular inflationary forces are no longer propelling the infla-

tionary spiral upward to the same extent that they were. We must recognize, however, that the higher price levels that have been reached by oil and other raw materials will continue to exert strong upward pressures for a time as they work their way through the economy.

We are also now feeling the effect of last year's surge of prices in the form of an understandably strong drive for large wage increases, as workers try to catch up with earlier cost of living increases.

Confronted with an unacceptable level of inflation on the one hand and with a temporary slackening of economic activity on the other, many voices have lately been raised in America demanding some swift, spectacular action. Some ask for reimposing wage and price controls. Others recommend that we wring out the economy with higher taxes or sharply restrictive monetary policies, even at the cost of a severe recession. And then, on the other hand, there are those who urge that we should lower taxes in order to pump up the economy more rapidly. And still others suggest that we should simply give up—that we should accept a rampant inflation as a mysterious and incurable disease and concentrate on learning to live with it.

Well, we are not going to do any of these things. Let me tell you why not, and let me tell you what we will do instead.

If experience teaches anything, it is that economic policies aimed exclusively at short-term relief too often bring long-term grief.

We must learn to think less in terms of programs and more in terms of policies, policies of respect for the basic laws and forces of the marketplace and of recognition that in those policies lie the keys to our economic future.

And so, let me tell you first what we are not going to do.

We are not going to resort to the discredited patent medicine of wage and price controls. To return to controls now for temporary relief would only create new distortions and, thus, intensify our long-term difficulties, and lead in the end to even more inflation when the controls came off.

We are not going to respond to the short-term slack in the economy by priming the pumps of inflation with new deficit spending or with a new easing of credit or with tax cuts that would only make inflation worse. These actions would be like pouring gasoline on a raging fire.

And neither will we administer the shock treatment of a sudden drastic "wringing out" of inflation, the cost of which in terms of increased unemployment for millions of Americans would be unacceptable.

Now let me tell you what we are going to do.

Our aim is to control inflation while continuing to produce more, so that people can live better. The key to this lies in keeping our eye squarely on the long term—and keeping it there even as we actively manage our short-term difficulties. It lies in choosing a sensible, realistic course and sticking to it, whatever the pressures. And that is exactly what we shall do.

We will continue to monitor every sector of this economy. And I can assure you that we will take what actions are necessary to prevent undue hardship in any sector of the economy. But we will not react either to general or to specific needs with gimmicks or emotionalism, and we will continue steadily on our basic anti-inflationary course.

A policy to check inflation is fundamentally a policy to curb the growth of demand relative to the growth of supply. In the short run, attention must focus on holding down the increase in demand, because with few exceptions, increasing supply takes a considerable amount of time.

There are exceptions, however, where changes in Government policy can result in rapid expansions of supply. Examples on which we have already acted include the turning back into production of tens of millions of acres of farmland which had previously been kept idle and the sale of excess Government stockpiles of certain raw materials.

In the longer run, we can focus more on increasing the growth of output—on producing more rather than on demanding less. So our strategy must have two elements—mainly restraining demand in the short run and expanding supply in the long run.

Let's turn now to the Federal Government. The most obvious thing the Federal Government can do to restrain demand is to hold down its own spending. For the current fiscal year, expenditures under the budget I submitted in February would be \$305 billion. A variety of forces, the most important being pending Congressional legislation in excess of the budget, threaten to raise this to \$312 billion—over \$7 billion over the budget I submitted in January. Undoubtedly, more spending proposals will be pressed in Congress in the months ahead.

I will not accept this inflation of the Federal budget. On the contrary, I am determined to cut below the \$305 billion I submitted in January toward a goal of \$300 billion. I intend to veto Congressional actions that would raise that spend-

ing above the budget. And beyond this, I have directed the heads of all Federal departments and agencies—without exception—to trim already-programed Federal spending toward the goal of \$300 billion.

I have also ordered a reduction of 40,000 in the number of Federal employees provided for in the budget for the current year. This alone will save \$300 million.

For the 1976 fiscal year—in which we are now preparing the budget—a year which begins in just 11 months, I shall submit a budget that will not only be in balance but that will actually reduce the rate of growth of Federal spending, so that the increase from 1975 to 1976 will be less than the increase from 1974 to 1975 rather than more. And when necessary, in proposing this budget, I shall propose repeal of existing legislation that makes spending mandatory.

Two weeks ago, I signed the Congressional Budget and Impoundment Control Act of 1974. For the first time in our Nation's history, this law provides a mechanism for the Congress to consider the whole budget comprehensively, not just its parts. It will be essential that this law be used effectively with the clear, continuing objective of reducing or eliminating expenditures that would help some of the people, but cause higher prices for all of the people.

We have to understand one fact. The President alone cannot cut the cost of Government. This new law provides a means by which the Congress and the President can work together to accomplish that goal. And I am confident that a majority of the Members of the Congress will support the efforts of the President to balance the Federal budget so that mil-

lions of Americans will have a chance to balance their family budgets.

The other principal weapon in the Government's arsenal to control inflation is monetary policy—that is, the control over the expansion of money and credit.

It is the function of the Federal Reserve System to maintain an adequate supply of money and credit, but to prevent that supply from rising too fast. The Federal Reserve is doing so. Holding down money and credit in the face of a rapid inflation causes high interest rates, which nobody likes. But allowing more rapid monetary expansion would soon cause even more rapid inflation and even higher interest rates. And therefore, the course of the Federal Reserve, the course it is on, is the necessary route to less inflation and lower interest rates.

Like any other part of the anti-inflation program, monetary restraint can be overdone. It has not been overdone up to this time, and it will not be overdone. We shall provide the expansion of money and credit necessary to support moderate growth of the economy at reasonable prices. Chairman Burns, of the Federal Reserve, has assured me of the intention of the Federal Reserve to avoid extremes of restriction in the effort to conduct an effective anti-inflationary monetary policy—an effort which every American should endorse. There will not be a credit crunch in which the money for essential economic activity becomes unavailable.

And so, as far as the Federal Government is concerned, we will cut the growth of Federal spending. We will hold down the growth of money and credit to check private spending. And I call on State and local governments, and on businesses and consumers, to hold down their own spending and increase their own savings as their

contribution in the fight against higher prices.

I recognize that some Americans cannot cut their spending without real hardship. And I recognize that some expenditures by business cannot be cut without cutting production now or in the future and, thereby, increasing unemployment. But most families could reduce or defer some expenditures—building their savings instead—without hardship. And every business has some fat in it, just as every Federal agency has. And State and local governments, whose spending has been rising rapidly, should follow the lead of the Federal Government in cutting unnecessary spending.

Now, there are cynics who will say that such an appeal to the public spirit of the American people is futile. Well, I don't believe that. We saw how the American people saved during World War II. And just last winter, we saw how the American people conserved gasoline and fuel oil and avoided, as a result, gas rationing and all the consequences that would have flowed. In my recent meetings to discuss the economy and in my mail, I have had abundant evidence of the willingness of the American people not only to cooperate but to join actively in the battle against inflation.

Less spending means less pressure on prices today. More saving means more investment in new housing and new production and, therefore, lower prices tomorrow. And the consumer—and that is everybody—wins both ways.

I referred earlier to the significance of a \$12 billion difference in the Federal budget. A cut of only 1½ percent in personal consumption expenditures—that would mean like putting away 15 cents for every \$10 spent—would make a similar difference in the fight against inflation.

How rapidly we succeed in cutting inflation will also depend on business and labor. If they continue pushing prices and wages rapidly forward, this will continue the inflationary pressures. But sales will suffer, because consumers will resist paying higher prices, and employment will also suffer, and no one in the end will be better off.

And therefore, in their own interest as well as in the Nation's, it is essential that business and labor act responsibly in their price and wage demands. As I have said, we shall not return to price and wage controls. But I intend to use every influence of the Presidency and of the Federal Government to bring about helpful voluntary restraint on the part of both business and labor in this critical area.

In the short run, as I have said, we must focus on measures to restrain demand. But to achieve prosperity without inflation in the long run, we must focus above all on producing more so that we can have more goods and services without higher prices.

To assure a vigorous growth of supplies in the longer run, a number of critical measures are necessary.

A good example is agriculture, where today less than 5 percent of our population feed all of America and help feed much of the rest of the world as well. We must keep our agricultural programs focused on a policy of abundance as they now are, rather than on a policy of scarcity.

We have seen vividly the importance of energy supplies and energy prices in the U.S. economy over these past few months. We must now take all necessary steps to assure ourselves of reliable supplies of energy at the lowest possible cost. That is the essence of Project Independ-

ence on which we are now moving steadily forward. Let us take whatever steps are necessary to make sure that the United States will never again be hostage to a cut-off of vital energy supplies by any foreign country. And here is another area where the President alone cannot do the job. We need the cooperation of the Congress on many pieces of legislation in this area which await action.

We need to assure adequate long-term supplies of capital for investment, another area we have discussed at great length in recent weeks. In May, I directed the Chairman of the Council of Economic Advisers to undertake a special study of long-range capital needs to provide for the continued growth of our economy and how to ensure that these needs may be met.

Too often today the creative energies of our economic system are stifled by burdensome overregulation based on policies designed for an earlier era. For example, Government regulations often require trucks to run empty. This wastes fuel, and it raises the cost to the consumer of everything these trucks carry. That is just one example. Many others could be cited. And consequently, I have directed a sweeping review of these policies with the objective of recommending these changes needed to bring the regulatory agencies and regulatory policies in line with the needs of a new era when increasing productivity must be a primary means of achieving our primary economic goals.

And where regulatory agencies, because of obsolete rules, have the effect of restricting production rather than encouraging it, those rules need to be changed. And they will be changed.

Some of the most important regulations from this standpoint are not Federal, but

State or local, such as obsolete building codes. Therefore, this review will encompass the reforms needed at all levels. At the same time, I again urge the Congress to enact the regulatory reforms that I have already proposed—with respect to transportation and financial institutions, for example—in order to make our economic system more productive and less inflationary.

And now we come to a very sensitive political point. It is time for us to re-evaluate the trade-off between increasing supplies, increasing production, and certain other objectives that are worthwhile, such as improving the environment and increasing safety. Those goals are important, but we too often, recently, have had a tendency to push particular social goals so far and so fast that other important economic goals are unduly sacrificed. And consequently, these policies must be re-evaluated and adjusted to the new needs.

Congress should enact the trade reform bill so that negotiations to reduce trade barriers can begin. This sometimes sounds like an esoteric subject of interest only to those who are in international trade. But competition from abroad can be a powerful force toward increasing productivity in the United States, creating more jobs, making more supplies available for American consumers, and in holding down prices.

Finally, and most important, we must restore the idea in America that the way to have more is to produce more. This is true of a nation, it is true of individuals. Too many countries are in extreme difficulty because their people have come to believe that the way to get more is to have the Government spend more, even though no more is produced. That has often been true in this country.

It is often said that we have worldwide inflation because people demand more. That is just a half-truth. We have worldwide inflation because people's demand for more is not matched by a willingness and ability on their part to produce more. The demand too often is translated into a supply of votes, not a supply of work, saving, initiative, and innovation.

In America—and may it always be this way—the power of government is the power of the people. And therefore, the most important responsibility of each American in fighting inflation is your responsibility—those of you in this room and the millions listening on television and radio. I can assure you that your Government will take firm measures, measures that will be unpopular with many special interest groups. The voice of the people in support of sound anti-inflation policies needs to be heard in Washington above the voices of the special interests.

In fact, we need in this country the one lobby we don't have—an anti-inflation lobby. This should not be a lobby with plush Washington offices and high paid officers—and I am not reflecting on any of the people who may be lobbyists here. This lobby should have an office in every home in America, and every citizen should be an officer in it. When every Government official—whether in the executive branch, in the Congress, or in State and local governments—knows that this anti-inflation lobby will reward anti-inflationary action and punish inflationary action, the fight against inflation will be won.

We have looked, as we should, at many of the troubles in the American economy today, but we must also recognize that despite its troubles, the American economy today is the envy of the rest of the world.

One needs only to travel, as I have in recent months and over the years, to other nations, particularly industrial nations, to realize the truth of that statement.

Painful as our own inflation is, it is less than that of France, of Italy, of Great Britain, of Japan, and less than that of most of the industrial nations of the world.

In fact, time and again I have found in recent months the leaders of other countries marveling at the great economic strength of America and wishing that they could exchange their economic difficulties for ours.

And consequently, as we look at the troubles in our economy today, we must not overlook its strengths. We have the strongest economy in the world by far, and we can win any economic battle that we determine to win. We are out to win the battle against inflation, and with our strong economy, we have the resources to do it.

As we look at the strengths of that economy, we have more jobs in America today than ever before, and those jobs pay higher wages, real wages, than in any other country in the world, even in the area of food costs, which we all know is one that really strikes home to whoever keeps that family budget. A smaller percentage of the wage earner's income goes to food in the United States than in any country in the world.

Young Americans today are finding work, rather than facing the draft, and we can be thankful for that. And if our unemployment, which is holding lower than we had earlier predicted, if it is higher than we want—and it is—let us be thankful that those who may be unemployed are not facing the draft and not serving in any war overseas.

In fact, we can be thankful that our problems today are the problems of peace, rather than the problems of war.

We will win the fight against inflation, but we are going to win it not by a single set of dramatic actions, but by the cumulative effect of actions that in themselves are often undramatic, actions that may not make headlines in the morning newspapers, but that will be the right actions to take.

In economic policy, impatience is the great enemy of sound policy. If you look at the history of inflation in America, more than anything else it can be laid at the doorstep of impatience: impatience to spend money we have not yet earned or to spend taxes we have not yet collected; impatience to satisfy all of our social wants at once, without regard to the fact that we cannot afford everything at once; impatience with the short-term dislocations that often are part of long-term adjustments needed to keep the economy growing in a healthy rather than an unhealthy way.

The key to fighting inflation, therefore, is steadiness. The steadiness that accepts the need for hard decisions, for occasional unpleasant statistics and even a measure of sacrifice in the short run in order to ensure stable growth without inflation for the long run, the steadiness that stands fixed against the clamor to take dramatic action just to create an appearance of action, and the kind of steadiness that rejects demagogery, that rejects gimmickry, and that gives the enormous creative forces of the marketplace in America a chance to work. That is our strength, the free marketplace in America, and we must keep it free.

And so, I say to you that we are on the right road toward our goal, a goal of full

prosperity without war and without inflation. We are going to stay on that road.

We will be steadfast in holding down Federal spending, in slowing the growth of the Federal budget.

We will have moderate but firm restraint on the growth of the money supply.

We will work creatively with other nations to deal with inflation in its worldwide dimensions.

We will take new measures to encourage productivity, and this is perhaps the most important long-term objective we can set for ourselves—to encourage productivity and to increase supplies of scarce resources. And in particular, we are going to press vigorously forward in increasing supplies of energy and food—the biggest components of the recent inflationary surge.

We shall stand firm against efforts to turn us aside from the steadiness of course that is necessary.

We intend to devote the full energies of the Federal Government to the fight against inflation. And I ask for your support, for the full support of the American people in this great cause.

In 1976, America will celebrate its 200th anniversary as a nation.

Let our goal for that anniversary be an America at peace with every nation in the world, a peace that we helped to bring about. And here at home, let our goal be an economy of prosperity without war and without inflation.

That is a great goal. It will require the united efforts, the dedication of government, of business, of labor, and of individual Americans all over this country.

What you do, each and every one of you, will matter.

As you play your part in this great crusade, you can be confident that your

Federal Government will play its part. And together, we can achieve the goal that all of us want: the goal of full prosperity without war and without inflation for ourselves, for our children, and for America's future.

NOTE: The President spoke at 4:32 p.m. in the Los Angeles Room of the Century Plaza Hotel before a conference on the economy in Los Angeles, Calif. The address was broadcast

live on nationwide radio and television. An advance text of his address was released on the same day.

In his opening words, the President referred to William French Smith, president of the California Chamber of Commerce.

The conference on the economy was sponsored by the California Chamber of Commerce, the California Manufacturers Association, the Los Angeles Area Chamber of Commerce, and the Merchants and Manufacturers Association.

230 Statement About Signing the Emergency Livestock Credit Act of 1974. *July 26, 1974*

I AM signing today S. 3679, the Emergency Livestock Credit Act of 1974.

Through a carefully controlled program of loan guarantees, this bill will provide emergency assistance to livestock producers who have been caught in a recent cost-price squeeze. When production costs soared above sales levels in recent months, many producers—especially in the beef industry—began operating at a loss, and some still face the threat of bankruptcy. Without some form of assistance as provided in this bill, there might ultimately be a reduction in the number of producers, which would in turn lead to reduced supplies and higher prices for the consumers.

I am keenly aware, however, that this bill also presents some dangers. The assistance provided by this bill should not be used to bail out short-term speculators who are normally not engaged in livestock production, nor should it be used to re-finance debt unrelated to recent market

conditions or to offset potential losses by banking institutions, which are in a position to absorb some loss as a normal business risk. Instead, it should be used only in those cases where it can make the critical difference between a producer's ability to sustain continued meat production and a forced reduction in his production that in the long run would hurt the general consumer as well as the producer.

Accordingly, I am asking the Secretary of Agriculture to administer this act with deliberation and selectivity to ensure that it is used only by the bona fide producer of livestock who is critically affected by short-term changes in market conditions and whose continued production would be severely jeopardized in the absence of such assistance.

NOTE: As enacted, S. 3679, approved July 25, 1974, is Public Law 93-357 (88 Stat. 391).

The statement was released at San Clemente, Calif.

231 Remarks on Presenting the Presidential Medal of Freedom to Charles LeRoy Lowman. *July 27, 1974*

Ladies and gentlemen:

We are gathered here today for the purpose of presenting the Medal of Freedom to Dr. Charles Lowman. I shall read a citation in just a moment, but it is very difficult on such an occasion like this not to mention the distinguished career of this very distinguished Californian and distinguished American without going into a little more length than the citation itself.

First, he is 94 years of age and in magnificent health, as you can see. Second, in his 94 years, he has been eminently successful as a doctor, but he has devoted most of his time in that 94 years helping other people, free of charge. He is particularly known for his work in orthopedics and, in that field, especially known for his work with young people.

There are thousands and thousands of children, for example, today in California and in other parts of this Nation who are walking who otherwise would be crippled except for Dr. Lowman. There are thousands and thousands of adults who are standing straighter, feeling better, who do not suffer from the various ailments involved in this kind of medicine because of Dr. Lowman's hard work and also his real genius.

He is, as we know, a distinguished man in his field. He will be remembered by his colleagues for what he has written, for what he has said, for what he has done, for his great technical skill. But he will be remembered by those he has helped and, I think, by his fellow Americans by the millions, because he has a great heart. He is a very fine human being, generous with his time, concerned about those less for-

tunate than he is, and it is this kind of man who deserves the Medal of Freedom, the highest recognition that our Government can give to an individual who is not in the Armed Forces of the United States.

I will now read the citation, and we will present the Medal of Freedom:

[At this point, the President read the citation, the text of which follows:

THE PRESIDENT OF THE UNITED STATES
OF AMERICA
AWARDS THIS
PRESIDENTIAL MEDAL OF FREEDOM
TO
CHARLES LEROY LOWMAN, M.D.

A pioneer in medicine, a physician of surpassing skill, and a great humanitarian, Dr. Charles LeRoy Lowman has devoted his life to the service of his fellow man. His good works have enriched the lives of thousands of patients, but none more so than the generations of handicapped children who have been treated at the hospital that he founded in Los Angeles early in this century. The world will long be indebted to this distinguished and noble American.]

NOTE: The President spoke at 11:27 a.m. at the Western White House, San Clemente, Calif.

On the same day, the White House released biographical data on Dr. Lowman and a fact sheet on the Presidential Medal of Freedom.

Dr. Lowman responded to the President's remarks as follows:

Mr. President:

I can't thank you enough. This is probably the crowning achievement of my life, and we shall always remember it. I can't help but feel that in honoring me, you are realizing the background at the Orthopedic Hospital, and all the hundreds who have been my helpers are the ones who are responsible for much of the results of what we have attained today.

We started in with about \$500 and 509 patients, and we moved into an old stable at the Orthopedic Hospital, and we stayed in that

stable and held a clinic up until 1929. And we registered, to start with, 509 patients, and I checked the other day and there are pretty close to 207,000 in the Orthopedic Hospital, to say nothing of all the private cases that I have had.

Of course, at my age, I am getting many cases that are 40 and 50 years of followups, which you have to live quite a while to get the types of people I have had.

The most important thing that I call the pay-

off is the fact that these people—who many of them are adults that I took care of when they were babies and made them walk again, club-footed children, and then when I realize what they are accomplishing—they are not on the welfare rolls, and they are holding down good jobs and having families and one thing and another, and that is what I call the payoff.

No amount of money can ever give you the satisfaction that that does.

I want to thank you again very much.

232 Message to the Congress Transmitting First Annual Report of the National Heart and Lung Advisory Council. July 29, 1974

To the Congress of the United States:

I herewith transmit the First Annual Report of the National Heart and Lung Advisory Council, prepared in accordance with the requirement of Public Law 92-423, the "National Heart, Blood Vessel, Lung, and Blood Act of 1972."

It should be noted that funds for the Heart and Lung Institute have been increased greatly in recent years: from \$195 million in 1971 to \$286 million in 1974, to \$309 million proposed for 1975. In short, the Administration's actions on the heart and lung program clearly identify it as an area of very high priority.

While there are recommendations in

the Council's report that are at variance with the Administration's views, the Council's Report merits serious consideration and will be closely studied and evaluated. I am forwarding the report so that the Congress may also have it available for its deliberations.

RICHARD NIXON

The White House,

July 29, 1974.

NOTE: The report, entitled "National Heart, Blood Vessel, Lung, and Blood Program—First Annual Report of the National Heart and Lung Advisory Council" (25 pp. plus appendixes), was published by the Department of Health, Education, and Welfare.

233 Message to the Senate Transmitting an Amended Text to the Convention on Facilitation of International Maritime Traffic, 1965. July 29, 1974

To the Senate of the United States:

I am transmitting herewith, for the advice and consent of the Senate to its acceptance, a copy of an amended text to Article VII of the Convention on Facilitation of International Maritime

Traffic, 1965. The amended text was adopted at a brief special conference in London in November 1973 and has been referred to the Contracting Governments for their acceptance. The report of the Department of State concerning the

amended text is also transmitted for the information of the Senate.

The purpose of the amended text is to provide a "tacit amendment" procedure for approving changes in the Annex to the Convention. That Annex sets forth the implementing standards and recommended practices for simplifying and making as uniform as possible the documentary and other formalities required of ships on arriving at or clearing ports. These formalities relate to customs, immigration, public health and other re-

quirements imposed on vessels engaged in international voyages.

I recommend that the Senate advise and consent to acceptance of the amended text, which is intended to expedite the making of desirable changes in the agreed formalities.

RICHARD NIXON

The White House

July 29, 1974.

NOTE: The text of the amendment and accompanying papers are printed in Senate Executive D (93d Cong., 2d sess.).

234 White House Statement on the Signing of an International Agreement on Cyprus. July 30, 1974

THE United States welcomes the announcement in Geneva of the agreement reached by the Foreign Ministers of the United Kingdom, Greece, and Turkey. We consider this an important step towards the restoration of peace and stability in Cyprus.

We commend the intensive and patient efforts of the three governments con-

cerned which brought about this achievement. In particular, we wish to pay tribute to the skill and persistence of Mr. [James] Callaghan, the Minister of State of Great Britain, who, as leader of the conference, deserves great credit for its success and to the Foreign Ministers of Greece and Turkey.

NOTE: See Item 227, footnote 2.

235 Message to the Congress Transmitting Annual Plan for United States Participation in the World Weather Program. August 1, 1974

To the Congress of the United States:

A well-known maxim says, "Everybody talks about the weather, but nobody does anything about it."

That maxim is no longer valid. We are confident that the knowledge of weather we are gaining through studies and experiments carried out under the World Weather Program will give man the un-

derstanding, tools and techniques necessary to cope with his atmosphere.

We are continuing to make substantial progress in furthering the goals of this program. These goals are:

—To extend the time, range and scope of weather predictions;

—To assess the impact of atmospheric pollution on environmental quality;

—To study the feasibility and the consequences of weather modification;

—To encourage international cooperation in meeting the meteorological needs of all nations.

The United States will soon begin continuous viewing of storms over much of the earth's surface through the use of two geostationary satellites. These satellites will also relay information from remote observing stations, thereby strengthening our ability to warn of potential natural disasters.

In cooperation with other nations, we expect soon to make five such satellites operational.

Immediate gains in weather predicting are also being made through increased computer power. This increased computer use will also in time produce long-term gains in both immediate and extended range prediction of global weather condi-

tions and in the assessment of the impact of man's activities upon climate and weather.

During June through September this year a major international experiment will be conducted in the tropical Atlantic. This experiment is expected to provide new information on the origin of tropical storms and hurricanes, and the effects of these storms on global circulation.

In accordance with Senate Concurrent Resolution 67 of the 90th Congress, I am pleased to transmit this annual report describing the current and planned activities of Federal agencies participating in the World Weather Program.

RICHARD NIXON

The White House,

August 1, 1974.

NOTE: The report is entitled "World Weather Program, Plan for Fiscal Year 1975" (Government Printing Office, 57 pp.).

236 Message to the Congress Transmitting Annual Report on Urban Transportation. *August 1, 1974*

To the Congress of the United States:

The promotion of desirable community development and flexibility in urban transportation policies are principal goals of this Administration.

It is clear that in order to promote the orderly development of urban areas according to local priorities, our efforts should be focused on measures which better integrate and coordinate all modes of transportation in urban areas with other

physical and social programs. Moreover, State and local governments should be given greater participation in major decisions in the use of Federal programs affecting community development.

I am pleased to submit to the Congress this report which summarizes the many ways in which the executive branch of the Federal Government is working to effect significant improvements toward that end.

The report was prepared jointly by the Departments of Transportation and of Housing and Urban Development as required by section 4(g) of the Department of Transportation Act of 1966. In particular, it documents the cooperative efforts on legislative proposals, policies and activities that are being taken by this Administration to assure that urban transportation systems most effectively serve both national transportation needs and the de-

velopment policies of individual urban areas.

I commend this report to the attention of the Congress.

RICHARD NIXON

The White House,

August 1, 1974.

NOTE: The 40-page report is entitled "Report to the Congress of the United States on Urban Transportation Policies and Activities."

237 Special Message to the Congress Proposing Establishment of a Cost of Living Task Force. *August 2, 1974*

To the Congress of the United States:

Earlier this year, before the expiration of the legislation authorizing the Cost of Living Council, I proposed to the Congress that a residual group within the Executive Office of the President be authorized to monitor wages and prices, as an on-going part of our fight against inflation. The Congress did not act on this proposal.

In my economic address on May 25 of this year, I called for the establishment of a Cost of Living Task Force to monitor wages and prices. Again, no Congressional authorization was forthcoming. While I continue to oppose mandatory wage and price controls, it is essential that wages and prices be carefully watched, that labor and management be constantly aware of public concern in this area, and that Government have the information it needs to persuade labor and management to do their duty in the effort to reduce inflation. We have carried out this monitoring func-

tion as best we can with our existing resources, under the leadership of my Counsellor for Economic Policy, Kenneth Rush. The need for a properly authorized group continues, however, and it now appears that many Members of the Congress are prepared to reconsider their earlier opposition to my proposal for such a group. A senate spokesman for the majority party of the Congress is now advocating such a proposal.

Therefore, I am today transmitting a legislative proposal to establish a Cost of Living Task Force. I invite all those who have come to see the need for this proposal to join as bipartisan co-sponsors in this vital step in our fight against inflation.

RICHARD NIXON

The White House,

August 2, 1974.

NOTE: On the same day, the White House released a fact sheet on the proposed task force.

238 Statement on Signing the Department of Defense Appropriation Authorization Act, 1975. *August 5, 1974*

I AM TODAY signing H.R. 14592, the Department of Defense procurement authorization bill for fiscal year 1975.

As I have pointed out on several occasions, a strong America is essential to maintaining world peace. Our military forces deter potential aggressors and, together with those of our allies, serve to assure the continued security of the free world. Without that strength, our adversaries would have no incentive to negotiate the mutual reduction of arms through which it may be possible to limit the rate of growth of military expenditures in the years ahead.

I am pleased that in this bill the Congress has expressed support for our objectives by authorizing \$22.2 billion for military procurement purposes during fiscal year 1975. Funds for research and development and the acquisition of major new weapons systems will help us to maintain our strong military posture, and a military end strength of 2,149,000 will contribute positively to continued force readiness.

There are, however, several unfortunate features in this bill. A number of provisions authorize spending for un-

needed equipment and could thus inflate defense spending unnecessarily at a time when we all should recognize the need to avoid waste. I shall monitor this spending closely, and in particular, I intend to review the provision that any newly constructed major combatant ship be equipped with nuclear power unless the President advises otherwise. I shall recommend nuclear propulsion for ships only when the added cost of such propulsion is fully justified in the national interests.

Section 709 of this measure authorizes the Congress by concurrent resolution to disapprove a Presidential decision permitting the export of certain goods and technology to specific countries. In my view, this feature provides for an unconstitutional exercise of legislative power. It is regrettable that the Congress has seen fit to add to a bill of such importance to our national security a rider adversely affecting the constitutional separation of powers. However, the compelling subject matter of this bill gives me no practical choice but to sign it, notwithstanding my serious reservations.

NOTE: As enacted, H.R. 14592 is Public Law 93-365 (88 Stat. 399).

239 Message to the Senate Transmitting the Telegraph and Telephone Regulations and a Final Protocol to the Regulations. *August 5, 1974*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Telegraph Regula-

tions and the Telephone Regulations along with the appendices thereto and a Final Protocol to those Regulations, done at Geneva, April 11, 1973. Also trans-

mitted for the information of the Senate is the report of the Department of State with respect to the Regulations.

These Regulations are simplified, completely revised versions of the 1958 Regulations and will make it easier for the international business system guided by the Regulations to keep pace with rapidly advancing telecommunications technology.

I recommend that the Senate give early and favorable consideration to both the

Telegraph Regulations and the Telephone Regulations and give its advice and consent to their ratification with the declarations proposed in the report of the Department of State.

RICHARD NIXON

The White House,

August 5, 1974.

NOTE: The texts of the regulations and the final protocol and accompanying papers are printed in Senate Executive E (93d Cong., 2d sess.).

240 Statement Announcing Availability of Additional Transcripts of Presidential Tape Recordings.

August 5, 1974

I HAVE TODAY instructed my attorneys to make available to the House Judiciary Committee, and I am making public, the transcripts of three conversations with H. R. Haldeman on June 23, 1972. I have also turned over the tapes of these conversations to Judge Sirica, as part of the process of my compliance with the Supreme Court ruling.

On April 29, in announcing my decision to make public the original set of White House transcripts, I stated that "as far as what the President personally knew and did with regard to Watergate and the coverup is concerned, these materials—together with those already made available—will tell it all."

Shortly after that, in May, I made a preliminary review of some of the 64 taped conversations subpoenaed by the Special Prosecutor.

Among the conversations I listened to at that time were two of those of June 23. Although I recognized that these pre-

sented potential problems, I did not inform my staff or my Counsel of it, or those arguing my case, nor did I amend my submission to the Judiciary Committee in order to include and reflect it. At the time, I did not realize the extent of the implications which these conversations might now appear to have. As a result, those arguing my case, as well as those passing judgment on the case, did so with information that was incomplete and in some respects erroneous. This was a serious act of omission for which I take full responsibility and which I deeply regret.

Since the Supreme Court's decision 12 days ago, I have ordered my Counsel to analyze the 64 tapes, and I have listened to a number of them myself. This process has made it clear that portions of the tapes of these June 23 conversations are at variance with certain of my previous statements. Therefore, I have ordered the transcripts made available immediately to the Judiciary Committee so that they

can be reflected in the committee's report and included in the record to be considered by the House and Senate.

In a formal written statement on May 22 of last year, I said that shortly after the Watergate break-in, I became concerned about the possibility that the FBI investigation might lead to the exposure either of unrelated covert activities of the CIA or of sensitive national security matters that the so-called "plumbers" unit at the White House had been working on, because of the CIA and plumbers connections of some of those involved. I said that I therefore gave instructions that the FBI should be alerted to coordinate with the CIA and to ensure that the investigation not expose these sensitive national security matters.

That statement was based on my recollection at the time—some 11 months later—plus documentary materials and relevant public testimony of those involved.

The June 23 tapes clearly show, however, that at the time I gave those instructions I also discussed the political aspects of the situation and that I was aware of the advantages this course of action would have with respect to limiting possible public exposure of involvement by persons connected with the reelection committee.

My review of the additional tapes has, so far, shown no other major inconsistencies with what I have previously submitted. While I have no way at this stage of being certain that there will not be others, I have no reason to believe that there will be. In any case, the tapes in their entirety are now in the process of being furnished to Judge Sirica. He has begun what may be a rather lengthy process of reviewing the tapes, passing on

specific claims of executive privilege on portions of them, and forwarding to the Special Prosecutor those tapes or those portions that are relevant to the Watergate investigation.

It is highly unlikely that this review will be completed in time for the House debate. It appears at this stage, however, that a House vote of impeachment is, as a practical matter, virtually a foregone conclusion¹ and that the issue will therefore go to trial in the Senate. In order to ensure that no other significant relevant materials are withheld, I shall voluntarily furnish to the Senate everything from these tapes that Judge Sirica rules should go to the Special Prosecutor.

I recognize that this additional material I am now furnishing may further damage my case, especially because attention will be drawn separately to it rather than to the evidence in its entirety. In considering its implications, therefore, I urge that two points be borne in mind.

The first of these points is to remember what actually happened as a result of the instructions I gave on June 23. Acting Director Gray of the FBI did coordinate with Director Helms and Deputy Director Walters of the CIA. The CIA did undertake an extensive check to see whether any of its covert activities would be compromised by a full FBI investigation of Watergate. Deputy Director Walters then reported back to Mr. Gray that they would not be compromised. On July 6,

¹ On July 27, 1974, the House Judiciary Committee recommended that the House of Representatives consider the impeachment of the President by adopting a proposed article of impeachment. Two additional articles were adopted on July 29 and 30 and were added to the bill of impeachment.

when I called Mr. Gray, and when he expressed concern about improper attempts to limit his investigation, as the record shows, I told him to press ahead vigorously with his investigation—which he did.

The second point I would urge is that the evidence be looked at in its entirety and the events be looked at in perspective. Whatever mistakes I made in the han-

dling of Watergate, the basic truth remains that when all the facts were brought to my attention, I insisted on a full investigation and prosecution of those guilty. I am firmly convinced that the record, in its entirety, does not justify the extreme step of impeachment and removal of a President. I trust that as the constitutional process goes forward, this perspective will prevail.

241 Memorandum About the Combined Federal Campaign. *August 8, 1974*

Memorandum for Heads of Departments and Agencies:

I am pleased to announce that Honorable William P. Clements, Jr., Deputy Secretary of Defense, has agreed to serve as Chairman of the Combined Federal Campaign for the National Capital Area this fall.

This campaign, which begins in September, will combine into a single drive the solicitation efforts of the United Way of Metropolitan Washington, the National Health Agencies, and the International Service Agencies. In this one drive we will be seeking to do our share to meet the needs of more than 150 local, national, and international health, welfare, and social service agencies.

These organizations deserve our wholehearted support. Working individually we can do little, but working together through voluntary organizations we can help the young, the old, the ill, the disadvantaged, and all persons who need assistance. There is no substitute for the help that can be brought to our neighbors and friends by

the committed voluntary agencies supported by the Combined Federal Campaign. Truly they are a beacon of hope for those in need.

Through the Combined Federal Campaign, Federal personnel are offered a unique opportunity to help persons in our community, in our Nation, and in overseas lands by one gift once a year, a pledge made particularly easy by the availability of payroll deductions.

I request that you serve personally as chairman of the combined campaign in your organization and appoint one of your top assistants as your vice chairman. Please advise Deputy Secretary Clements of the person you designate as vice chairman.

I know that you will give your wholehearted support to this endeavor, and I hope you will commend the campaign with its payroll deduction feature to Federal employees and military personnel in your organization.

RICHARD NIXON

242 Message to the Congress Transmitting Annual Report
on the Trade Agreements Program for 1973.
August 8, 1974

To the Congress of the United States:

In accordance with section 402(a) of the Trade Expansion Act of 1962 (TEA), I transmit herewith the Eighteenth Annual Report of the President on the Trade Agreements Program. This report covers developments in the year ending December 31, 1973.

Last year was a particularly important one for United States and world trade, as this report demonstrates in detail. Unquestionably the highlight occurred last September in Tokyo, when the ministers of 105 sovereign nations joined to declare their support for a new round of multilateral trade negotiations, the seventh since the General Agreement on Tariffs and Trade (GATT) was signed in 1947. This round represents a major initiative of the United States, along with initiatives in the international monetary field, begun in the fall of 1971. The charter for these negotiations, as embodied in the Declaration of Tokyo, is the most ambitious yet.

The purpose of these talks is no less than to modernize a world trading system which, though it has well served the world's peoples and brought about the many benefits of a four-fold expansion of trade, is no longer capable of responding to the needs and realities of a rapidly changing and increasingly interdependent world economy.

First, these talks are aimed not only at the continuing need to facilitate trade by lowering tariffs, but at reducing today's most pervasive and restrictive export inhibitors, so-called non-tariff trade barriers (NTBs). Unless these can be effec-

tively dealt with, no major exporting nation—especially the United States—can hope to remain competitive in today's and tomorrow's world markets. And loss of competitiveness abroad can threaten the viability of firms and lead to loss of markets at home.

Second, the inflationary pressure of increased costs has become a major international problem which must be dealt with multilaterally if we are to adequately deal with inflation domestically.

Third, the need to maintain access to vital raw materials, energy, and food requires negotiated assurances for such access to supplies as well as to markets.

Fourth, economic issues should be managed and negotiated in parallel with political and security issues, in order to make progress on all three fronts.

Finally, we must encourage sovereign governments to work within an acceptable international framework to deal with such problems as import safeguards and export subsidies. At the same time we must have the authority to defend our legitimate national interests and manage domestic concerns in the context of an up-to-date, responsive and responsible international system.

None of these objectives can be accomplished without the appropriate legislative authorization. This authority—carefully balanced with provisions for the most effective Congressional and public participation in our trade policy-making and negotiating since GATT was formed—is represented in the Trade Reform Act, which I submitted to the Con-

gress in April of 1973. This legislation, which passed the House by a margin of nearly two-to-one last December and is now pending in the Senate, is still urgently needed.

Time is now of the essence with regard to the trade bill. Our trading partners have demonstrated their willingness to use and improve multilateral channels for trade negotiation. Just this spring, the European Community negotiated a fair and equitable accord compensating us for tariff changes resulting from the enlargement of the European Common Market. Through the Organization for Economic Cooperation and Development (OECD), ministers of member countries have joined with the U.S. in renouncing trade restrictive measures as balance-of-payments correctives, at least until the basic problems caused by oil price increases can be addressed through improvements in the monetary system. Developing countries, particularly our partners in Latin America, have indicated their willingness to work with us toward trade expansion and reform. As I have noted before, our new approaches to the socialist countries, especially to the USSR and the People's Republic of China, hinge in large measure upon our ability to open up peaceful avenues of trade with them. Again, I have expressed my willingness to work with the Congress to find an acceptable formula-

tion for this authority. In Geneva, the GATT Trade Negotiations Committee has announced a program of work for the fall to further prepare for the actual bargaining.

In short, the rest of the world is waiting for us at the trade negotiating table. The alternative is an indefinite period in which nations, including ours, will be forced to deal with increasingly complex and interdependent trade problems on an *ad hoc* basis. Experience has shown that this could lead to a proliferation of those problems and disputes over the best ways to resolve them. The adverse fallout from the resulting uncertainties and temptations of shortsighted unilateral actions could also seriously jeopardize gains we have made in the diplomatic and security fields.

For all these reasons, I take this occasion once again to urge prompt and final action on the Trade Reform Act. It is essential that we move ahead to revitalize the global trading system through multilateral negotiations.

RICHARD NIXON

The White House,

August 8, 1974.

NOTE: The 47-page report is entitled "Eighteenth Annual Report of the President of the United States on the Trade Agreements Program—1973."

243 Veto of the Agriculture-Environmental and Consumer Protection Appropriation Bill. August 8, 1974

To the House of Representatives:

The pressing need to control inflation compels me today to return to the Congress without my approval H.R. 15472, an appropriations bill for the Department of

Agriculture, the Environmental Protection Agency and certain related agencies and programs.

Two weeks ago, I vowed to the American people that any appropriations bill

substantially above my budget for fiscal year 1975 would be vetoed because it would otherwise contribute to inflationary forces in the economy. This legislation exceeds my budgetary recommendations by such a large amount—some \$540 million—that it presents a clear and distinct threat to our fight against inflation and cannot be accepted.

Under this legislation, outlays for fiscal year 1975 would exceed our recommendations by \$150 million in fiscal year 1975, \$300 million in fiscal year 1976, and by additional amounts in fiscal year 1977. Water and sewer grants for the Department of Agriculture would be authorized at a level of about \$345 million, a level more than eight times higher than any level in the past. Funding for agricultural conservation programs would be more than doubled, completely reversing recent efforts of this Administration to reform these programs. Furthermore, this bill would increase certain loan programs operated by the Department of Agriculture by \$400 million more than we recommended, an increase which would further strain already over-stressed credit markets and would add to inflationary pressures.

I also oppose a provision in this bill transferring from the Department of Housing and Urban Development to EPA a \$175 million program to clean up the

Great Lakes. The feasibility of this clean-up program has not yet been proven. Further study is essential if we are to avoid ineffective Federal spending for these purposes.

My original budget recommendations to the Congress laid out program priorities as we see them in the executive branch. While differences have frequently existed between the Congress and the executive branch on priorities for particular programs, I firmly believe that our current fiscal situation demands national unanimity on the issues of a larger concern: namely, that we agree to enact appropriation bills which do not fuel the fires of inflation through excessive spending.

I would welcome Congressional reconsideration of this bill and the program priorities contained therein so that a more acceptable bill can be enacted. In keeping Federal spending under control, we do not intend, of course, to single out only farm or environmental programs. Indeed, I would hope that in considering all future appropriation measures, the Congress will assiduously avoid enacting measures which pose inflationary problems similar to the bill I am returning today.

RICHARD NIXON

The White House,
August 8, 1974.

244 Address to the Nation Announcing Decision To Resign the Office of President of the United States.

August 8, 1974

Good evening:

This is the 37th time I have spoken to you from this office, where so many decisions have been made that shaped the

history of this Nation. Each time I have done so to discuss with you some matter that I believe affected the national interest.

In all the decisions I have made in my public life, I have always tried to do what was best for the Nation. Throughout the long and difficult period of Watergate, I have felt it was my duty to persevere, to make every possible effort to complete the term of office to which you elected me.

In the past few days, however, it has become evident to me that I no longer have a strong enough political base in the Congress to justify continuing that effort. As long as there was such a base, I felt strongly that it was necessary to see the constitutional process through to its conclusion, that to do otherwise would be unfaithful to the spirit of that deliberately difficult process and a dangerously destabilizing precedent for the future.

But with the disappearance of that base, I now believe that the constitutional purpose has been served, and there is no longer a need for the process to be prolonged.

I would have preferred to carry through to the finish, whatever the personal agony it would have involved, and my family unanimously urged me to do so. But the interests of the Nation must always come before any personal considerations.

From the discussions I have had with Congressional and other leaders, I have concluded that because of the Watergate matter, I might not have the support of the Congress that I would consider necessary to back the very difficult decisions and carry out the duties of this office in the way the interests of the Nation will require.

I have never been a quitter. To leave office before my term is completed is abhorrent to every instinct in my body. But as President, I must put the interests of America first. America needs a full-

time President and a full-time Congress, particularly at this time with problems we face at home and abroad.

To continue to fight through the months ahead for my personal vindication would almost totally absorb the time and attention of both the President and the Congress in a period when our entire focus should be on the great issues of peace abroad and prosperity without inflation at home.

Therefore, I shall resign the Presidency effective at noon tomorrow. Vice President Ford will be sworn in as President at that hour in this office.

As I recall the high hopes for America with which we began this second term, I feel a great sadness that I will not be here in this office working on your behalf to achieve those hopes in the next 2½ years. But in turning over direction of the Government to Vice President Ford, I know, as I told the Nation when I nominated him for that office 10 months ago, that the leadership of America will be in good hands.

In passing this office to the Vice President, I also do so with the profound sense of the weight of responsibility that will fall on his shoulders tomorrow and, therefore, of the understanding, the patience, the cooperation he will need from all Americans.

As he assumes that responsibility, he will deserve the help and the support of all of us. As we look to the future, the first essential is to begin healing the wounds of this Nation, to put the bitterness and divisions of the recent past behind us and to rediscover those shared ideals that lie at the heart of our strength and unity as a great and as a free people.

By taking this action, I hope that I

will have hastened the start of that process of healing which is so desperately needed in America.

I regret deeply any injuries that may have been done in the course of the events that led to this decision. I would say only that if some of my judgments were wrong—and some were wrong—they were made in what I believed at the time to be the best interest of the Nation.

To those who have stood with me during these past difficult months—to my family, my friends, to many others who joined in supporting my cause because they believed it was right—I will be eternally grateful for your support.

And to those who have not felt able to give me your support, let me say I leave with no bitterness toward those who have opposed me, because all of us, in the final analysis, have been concerned with the good of the country, however our judgments might differ.

So, let us all now join together in affirming that common commitment and in helping our new President succeed for the benefit of all Americans.

I shall leave this office with regret at not completing my term, but with gratitude for the privilege of serving as your President for the past 5½ years. These years have been a momentous time in the history of our Nation and the world. They have been a time of achievement in which we can all be proud, achievements that represent the shared efforts of the Administration, the Congress, and the people.

But the challenges ahead are equally great, and they, too, will require the support and the efforts of the Congress and the people working in cooperation with the new Administration.

We have ended America's longest war, but in the work of securing a lasting

peace in the world, the goals ahead are even more far-reaching and more difficult. We must complete a structure of peace so that it will be said of this generation, our generation of Americans, by the people of all nations, not only that we ended one war but that we prevented future wars.

We have unlocked the doors that for a quarter of a century stood between the United States and the People's Republic of China.

We must now ensure that the one quarter of the world's people who live in the People's Republic of China will be and remain not our enemies, but our friends.

In the Middle East, 100 million people in the Arab countries, many of whom have considered us their enemy for nearly 20 years, now look on us as their friends. We must continue to build on that friendship so that peace can settle at last over the Middle East and so that the cradle of civilization will not become its grave.

Together with the Soviet Union, we have made the crucial breakthroughs that have begun the process of limiting nuclear arms. But we must set as our goal not just limiting but reducing and, finally, destroying these terrible weapons so that they cannot destroy civilization and so that the threat of nuclear war will no longer hang over the world and the people.

We have opened the new relation with the Soviet Union. We must continue to develop and expand that new relationship so that the two strongest nations of the world will live together in cooperation, rather than confrontation.

Around the world—in Asia, in Africa, in Latin America, in the Middle East—there are millions of people who live in terrible poverty, even starvation. We must

keep as our goal turning away from production for war and expanding production for peace so that people everywhere on this Earth can at last look forward in their children's time, if not in our own time, to having the necessities for a decent life.

Here in America, we are fortunate that most of our people have not only the blessings of liberty but also the means to live full and good and, by the world's standards, even abundant lives. We must press on, however, toward a goal, not only of more and better jobs but of full opportunity for every American and of what we are striving so hard right now to achieve, prosperity without inflation.

For more than a quarter of a century in public life, I have shared in the turbulent history of this era. I have fought for what I believed in. I have tried, to the best of my ability, to discharge those duties and meet those responsibilities that were entrusted to me.

Sometimes I have succeeded and sometimes I have failed, but always I have taken heart from what Theodore Roosevelt once said about the man in the arena, "whose face is marred by dust and sweat and blood, who strives valiantly, who errs and comes short again and again because there is not effort without error and shortcoming, but who does actually strive to do the deed, who knows the great enthusiasms, the great devotions, who spends himself in a worthy cause, who at the best knows in the end the triumphs of high achievements and who at the worst, if he fails, at least fails while daring greatly."

I pledge to you tonight that as long as I have a breath of life in my body, I shall continue in that spirit. I shall continue to work for the great causes to which I have been dedicated throughout my years

as a Congressman, a Senator, Vice President, and President, the cause of peace, not just for America but among all nations—prosperity, justice, and opportunity for all of our people.

There is one cause above all to which I have been devoted and to which I shall always be devoted for as long as I live.

When I first took the oath of office as President 5½ years ago, I made this sacred commitment: to "consecrate my office, my energies, and all the wisdom I can summon to the cause of peace among nations."

I have done my very best in all the days since to be true to that pledge. As a result of these efforts, I am confident that the world is a safer place today, not only for the people of America but for the people of all nations, and that all of our children have a better chance than before of living in peace rather than dying in war.

This, more than anything, is what I hoped to achieve when I sought the Presidency. This, more than anything, is what I hope will be my legacy to you, to our country, as I leave the Presidency.

To have served in this office is to have felt a very personal sense of kinship with each and every American. In leaving it, I do so with this prayer: May God's grace be with you in all the days ahead.

NOTE: The President spoke at 9:01 p.m. from the Oval Office at the White House. The address was broadcast live on nationwide radio and television.

Prior to delivering the address, the President met separately with a group of bipartisan Congressional leaders in his office at the Old Executive Office Building and a group of more than 40 Members of Congress in the Cabinet Room at the White House.

On August 7, 1974, Senators Hugh Scott and Barry Goldwater and Representative John J. Rhodes met with the President in the Oval Office at the White House. The White House

released a transcript of their news briefing on the meeting on the same day. The briefing is

printed in the Weekly Compilation of Presidential Documents (vol. 10, p. 1010).

245 Remarks on Departure From the White House.

August 9, 1974

Members of the Cabinet, members of the White House Staff, all of our friends here:

I think the record should show that this is one of those spontaneous things that we always arrange whenever the President comes in to speak, and it will be so reported in the press, and we don't mind, because they have to call it as they see it.

But on our part, believe me, it is spontaneous.

You are here to say goodbye to us, and we don't have a good word for it in English—the best is *au revoir*. We will see you again.

I just met with the members of the White House staff, you know, those who serve here in the White House day in and day out, and I asked them to do what I ask all of you to do to the extent that you can and, of course, are requested to do so: to serve our next President as you have served me and previous Presidents—because many of you have been here for many years—with devotion and dedication, because this office, great as it is, can only be as great as the men and women who work for and with the President.

This house, for example—I was thinking of it as we walked down this hall, and I was comparing it to some of the great houses of the world that I have been in. This isn't the biggest house. Many, and most, in even smaller countries, are much bigger. This isn't the finest house. Many in Europe, particularly, and in China, Asia, have paintings of great, great value, things that we just don't have here and,

probably, will never have until we are 1,000 years old or older.

But this is the best house. It is the best house, because it has something far more important than numbers of people who serve, far more important than numbers of rooms or how big it is, far more important than numbers of magnificent pieces of art.

This house has a great heart, and that heart comes from those who serve. I was rather sorry they didn't come down. We said goodbye to them upstairs. But they are really great. And I recall after so many times I have made speeches, and some of them pretty tough, yet, I always come back, or after a hard day—and my days usually have run rather long—I would always get a lift from them, because I might be a little down but they always smiled.

And so it is with you. I look around here, and I see so many on this staff that, you know, I should have been by your offices and shaken hands, and I would love to have talked to you and found out how to run the world—everybody wants to tell the President what to do, and boy, he needs to be told many times—but I just haven't had the time. But I want you to know that each and every one of you, I know, is indispensable to this Government.

I am proud of this Cabinet. I am proud of all the members who have served in our Cabinet. I am proud of our sub-Cabinet. I am proud of our White House

Staff. As I pointed out last night, sure, we have done some things wrong in this Administration, and the top man always takes the responsibility, and I have never ducked it. But I want to say one thing: We can be proud of it—5½ years. No man or no woman came into this Administration and left it with more of this world's goods than when he came in. No man or no woman ever profited at the public expense or the public till. That tells something about you.

Mistakes, yes. But for personal gain, never. You did what you believed in. Sometimes right, sometimes wrong. And I only wish that I were a wealthy man—at the present time, I have got to find a way to pay my taxes—[laughter]—and if I were, I would like to recompense you for the sacrifices that all of you have made to serve in government.

But you are getting something in government—and I want you to tell this to your children, and I hope the Nation's children will hear it, too—something in government service that is far more important than money. It is a cause bigger than yourself. It is the cause of making this the greatest nation in the world, the leader of the world, because without our leadership, the world will know nothing but war, possibly starvation or worse, in the years ahead. With our leadership it will know peace, it will know plenty.

We have been generous, and we will be more generous in the future as we are able to. But most important, we must be strong here, strong in our hearts, strong in our souls, strong in our belief, and strong in our willingness to sacrifice, as you have been willing to sacrifice, in a pecuniary way, to serve in government.

There is something else I would like for you to tell your young people. You know, people often come in and say,

“What will I tell my kids?” They look at government and say, sort of a rugged life, and they see the mistakes that are made. They get the impression that everybody is here for the purpose of feathering his nest. That is why I made this earlier point—not in this Administration, not one single man or woman.

And I say to them, there are many fine careers. This country needs good farmers, good businessmen, good plumbers, good carpenters.

I remember my old man. I think that they would have called him sort of a little man, common man. He didn't consider himself that way. You know what he was? He was a streetcar motorman first, and then he was a farmer, and then he had a lemon ranch. It was the poorest lemon ranch in California, I can assure you. He sold it before they found oil on it. [Laughter] And then he was a grocer. But he was a great man, because he did his job, and every job counts up to the hilt, regardless of what happens.

Nobody will ever write a book, probably, about my mother. Well, I guess all of you would say this about your mother—my mother was a saint. And I think of her, two boys dying of tuberculosis, nursing four others in order that she could take care of my older brother for 3 years in Arizona, and seeing each of them die, and when they died, it was like one of her own.

Yes, she will have no books written about her. But she was a saint.

Now, however, we look to the future. I had a little quote in the speech last night from T.R. As you know, I kind of like to read books. I am not educated, but I do read books—[laughter]—and the T.R. quote was a pretty good one.

Here is another one I found as I was

reading, my last night in the White House, and this quote is about a young man. He was a young lawyer in New York. He had married a beautiful girl, and they had a lovely daughter, and then suddenly she died, and this is what he wrote. This was in his diary.

He said, "She was beautiful in face and form and lovelier still in spirit. As a flower she grew and as a fair young flower she died. Her life had been always in the sunshine. There had never come to her a single great sorrow. None ever knew her who did not love and revere her for her bright and sunny temper and her saintly unselfishness. Fair, pure and joyous as a maiden, loving, tender and happy as a young wife. When she had just become a mother, when her life seemed to be just begun and when the years seemed so bright before her, then by a strange and terrible fate death came to her. And when my heart's dearest died, the light went from my life forever."

That was T.R. in his twenties. He thought the light had gone from his life forever—but he went on. And he not only became President but, as an ex-President, he served his country, always in the arena, tempestuous, strong, sometimes wrong, sometimes right, but he was a man.

And as I leave, let me say, that is an example I think all of us should remember. We think sometimes when things happen that don't go the right way; we think that when you don't pass the bar exam the first time—I happened to, but I was just lucky; I mean, my writing was so poor the bar examiner said, "We have just got to let the guy through." We think that when someone dear to us dies, we think that when we lose an election, we think that when we suffer a defeat that

all is ended. We think, as T.R. said, that the light had left his life forever.

Not true. It is only a beginning, always. The young must know it; the old must know it. It must always sustain us, because the greatness comes not when things go always good for you, but the greatness comes and you are really tested, when you take some knocks, some disappointments, when sadness comes, because only if you have been in the deepest valley can you ever know how magnificent it is to be on the highest mountain.

And so I say to you on this occasion, as we leave, we leave proud of the people who have stood by us and worked for us and served this country.

We want you to be proud of what you have done. We want you to continue to serve in government, if that is your wish. Always give your best, never get discouraged, never be petty; always remember, others may hate you, but those who hate you don't win unless you hate them, and then you destroy yourself.

And so, we leave with high hopes, in good spirit, and with deep humility, and with very much gratefulness in our hearts. I can only say to each and every one of you, we come from many faiths, we pray perhaps to different gods—but really the same God in a sense—but I want to say for each and every one of you, not only will we always remember you, not only will we always be grateful to you but always you will be in our hearts and you will be in our prayers.

Thank you very much.

NOTE: The President spoke at 9:36 a.m. in the East Room at the White House. His remarks were broadcast live on nationwide radio and television.

Following his remarks, the President and

Mrs. Nixon left the White House for Andrews Air Force Base, where they boarded the *Spirit*

of '76 for the trip to their home in San Clemente, Calif.

246 Letter Resigning the Office of President of the
United States. *August 9, 1974*

Dear Mr. Secretary:

I hereby resign the Office of President of the United States.

Sincerely,

RICHARD NIXON

[The Honorable Henry A. Kissinger, The Secretary of State, Washington, D.C. 20520]

NOTE: The President's letter of resignation was delivered to Secretary Kissinger in his White House office at 11:35 a.m., August 9, by Assistant to the President Alexander M. Haig, Jr.

Appendix A—Additional White House Releases

NOTE: This appendix lists those releases which are neither printed as items in this volume nor listed in subsequent appendixes. If the text of a release was printed in the Weekly Compilation of Presidential Documents, the page number is indicated below. Page references are to volume 10 of the Compilation. Texts of other documents, not in release form but issued by the White House, are also printed in the Compilation.

<i>January</i>	<i>page</i>	<i>January</i>	<i>page</i>
2 Fact sheet: Regional Rail Reorganization Act of 1973 . . . . .	...	8 Nomination: William S. Mailliard to be United States Permanent Representative to the Organization of American States	19
2 News briefing: on the Regional Rail Reorganization Act of 1973—by Secretary of Transportation Claude S. Brinegar . . . . .	...	8 Announcement: release of information about the milk support price and ITT antitrust decisions	19
2 Appointment: six members of the Postal Service Advisory Council . .	10	8 Summary: the milk support price decision (2 releases)	20
3 News briefing: on the Middle East situation and other foreign policy matters—by Secretary of State Henry A. Kissinger . . . . .	...	8 Summary: the ITT antitrust decision	28
4 Appointment: Leonard Garment as Assistant to the President	12	10 Appointment: five members of the Consumer Advisory Council	33
4 Appointment: J. Fred Buzhardt as Counsel to the President	12	11 Designation: Hugh A. Hall as Acting Administrator of the American Revolution Bicentennial Administration .	34
4 Appointment: James D. St. Clair as Special Counsel to the President . .	12	11 Nomination: Henry C. Wallich to be a member of the Board of Governors of the Federal Reserve System . . .	34
5 Appointment: W. J. Usery, Jr., as Special Assistant to the President for labor relations matters	17	11 Statement: news accounts relating to the Joint Chiefs of Staff and the National Security Council—by the White House Press Office	35
7 Announcement: transfer of 34 parcels of Federal land to State and local governments under the Legacy of Parks program	18	14 Announcement: submission to the President of report investigating the Long Island Rail Road labor dispute by Emergency Board No. 184 . . .	37
8 Nomination: Joseph John Sisco to be Under Secretary of State for Political Affairs	18	15 Designation: Robert M. Duncan as Chief Judge of the United States Court of Military Appeals	37
8 Nomination: William J. Porter to be United States Ambassador to Canada	18		

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15 Nomination: George M. Stafford to be an Interstate Commerce Commissioner; and designation as Chairman	38	22 Appointment: nine members of the National Advisory Committee on Oceans and Atmosphere	71
16 Appointment: Kenneth R. Cole, Jr., as Assistant to the President for Domestic Affairs	39	22 News briefing: on their meeting with the President to discuss the effects of the energy crisis on the trucking industry—by Peter J. Brennan, Secretary of Labor, and Frank E. Fitzsimmons, general president of the International Brotherhood of Teamsters . . . . .	...
16 Nomination: William J. Jorden to be United States Ambassador to Panama	39	23 Fact sheet: the President's message to the Congress on energy policy . . . . .	...
16 Nomination: David L. Osborn to be United States Ambassador to the Socialist Republic of the Union of Burma	39	23 News briefing: on the President's message to the Congress on energy policy—by William E. Simon, Administrator of the Federal Energy Office, and Frederick W. Hickman, Assistant Secretary of the Treasury for Tax Policy . . . . .	...
18 Appointment: Fred B. Rhodes as a member of the Postal Rate Commission; and designation as Chairman	62	24 Fact sheet: the President's message to the Congress on education . . . . .	...
18 Nomination: Thomas W. McElhiney to be United States Ambassador to Ethiopia	62	24 News briefing: on their meeting with the President to discuss the message to the Congress on education—by Caspar W. Weinberger, Secretary, and Frank C. Carlucci, Under Secretary, Department of Health, Education, and Welfare . . . . .	...
18 Nomination: Nancy V. Rawls to be United States Ambassador to the Republic of Togo	63	25 Nomination: Martin F. Herz to be United States Ambassador to Bulgaria	95
18 Nomination: L. Douglas Heck to be United States Ambassador to the Republic of Niger	63	25 Nomination: Davis Eugene Boster to be United States Ambassador to the People's Republic of Bangladesh	96
18 Announcement: disaster assistance for Maine	63	25 Nomination: Thomas V. Falkie to be Director of the Bureau of Mines	96
18 Statement: about Judge Sirica's decision to refer condition of a Presidential tape recording to a grand jury for investigation—by the Office of the White House Counsel	64	25 Nomination: James M. Day to be Administrator of the Mining Enforcement and Safety Administration	96
18 News briefing: on his meeting with the President to discuss the legislative calendar for the second session of the 93d Congress—by Senate Minority Leader Hugh Scott . . . . .	...	25 Nomination: John L. Ganley to be Deputy Director of the ACTION Agency	97
21 Announcement: disaster assistance for New Hampshire	69		
22 Nomination: Leonard Sullivan, Jr., to be an Assistant Secretary of Defense	70		

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25 Announcement: disaster assistance for Idaho	99	30 Appointment: William J. Baroody, Jr., as Special Consultant to the President	111
25 Announcement: disaster assistance for Oregon	99	31 Nomination: Laurence H. Silberman to be Deputy Attorney General . .	150
25 Announcement: disaster assistance for Washington	99	31 Announcement: election of Maurice J. Williams as Chairman of the Development Assistance Committee of the Organization for Economic Cooperation and Development . . .	150
25 News briefing: on the White House conference on energy for representatives of the American Society of Association Executives—by John C. Sawhill, Deputy Administrator of the Federal Energy Office; Frederick B. Dent, Secretary of Commerce; and James P. Low, executive vice president of the American Society of Association Executives . . . . .	...	
28 Fact sheet: the President's message to the Congress on veterans legislation . . . . .	...	
28 News briefing: on the President's message to the Congress on veterans legislation—by Administrator of Veterans Affairs Donald E. Johnson . .	...	
28 Designation: Arthur F. Burns as Chairman of the Board of Governors of the Federal Reserve System . . .	107		
29 Nomination: Thomas R. Pickering to be United States Ambassador to the Hashemite Kingdom of Jordan .	108		
29 Announcement: disaster assistance for West Virginia	108		
29 Announcement: disaster assistance for Montana	109		
30 Nomination: Irving M. Pollack to be a member of the Securities and Exchange Commission	110		
30 Appointment: Ken W. Clawson as Communications Director to the President	111		
		<i>February</i>	
		1 News briefing: on the Economic Report for 1974—by Herbert Stein, Chairman, and William J. Fellner, member, Council of Economic Advisers (held January 31) . . . . .	...
		1 News briefing: on the Republican Congressional leadership meeting with the President to discuss the Economic Report for 1974 and the President's budget message—by Senator Hugh Scott and Representative John J. Rhodes . . . . .	...
		4 Nomination: Rear Adm. Owen W. Siler, USCG, to be Commandant of the U.S. Coast Guard; and Rear Adm. Ellis Lee Perry, USCG, to be Vice Commandant of the U.S. Coast Guard	170
		5 Nomination: John Gunther Dean to be United States Ambassador to the Khmer Republic	175
		5 Nomination: Philip W. Manhard to be United States Ambassador to Mauritius	175
		5 Nomination: Robert E. Fritts to be United States Ambassador to the Republic of Rwanda	176
		5 Communique: visit of Soviet Minister of Foreign Affairs A. A. Gromyko to the United States	176

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5 News briefing: on truck stoppages by independent operators—by William E. Simon, Administrator of the Federal Energy Office	177	8 Nomination: Armistead I. Selden, Jr., to be United States Ambassador to New Zealand, Fiji, the Kingdom of Tonga, and Western Samoa . .	193
6 Fact sheet: proposed comprehensive health insurance plan . . . . .	...	8 Appointment: 25 members and 2 ex officio members of the Annual Assay Commission	194
6 News briefing: on the proposed comprehensive health insurance plan—by Secretary of Health, Education, and Welfare Caspar W. Weinberger . . . . .	...	8 News briefing: on their meeting with the President to discuss measures to alleviate conditions causing independent truck stoppages—by William B. Saxbe, Attorney General; Claude S. Brinegar, Secretary of Transportation; William E. Simon, Administrator of the Federal Energy Office; and W. J. Usery, Director of the Federal Mediation and Conciliation Service . . . . .	...
6 Nomination: Marshall Green to be United States Ambassador to the Republic of Nauru	186	9 Advance text: radio address about proposed transportation legislation . . . . .	...
6 Designation: Ambassador Sheldon B. Vance as United States Representative to the Third Special Session of the Commission on Narcotic Drugs, Economic and Social Council of the United Nations	186	11 Appointment: five members of the National Advisory Council on the Education of Disadvantaged Children	199
6 News briefing: on his meeting with the President to discuss domestic issues and problems of the cities—by Mayor Abraham D. Beame of New York City . . . . .	...	12 Nomination: Carla Anderson Hills to be an Assistant Attorney General . .	203
7 Fact sheet: International Economic Report of the President . . . . .	...	12 Nomination: Sumner Gerard to be United States Ambassador to Jamaica	203
7 News briefing: on the International Economic Report of the President—by Peter M. Flanigan, Assistant to the President and Executive Director of the Council on International Economic Policy (held February 6) . . . . .	...	13 Fact sheet: proposed unified transportation assistance program . . . . .	...
7 News briefing: on the International Economic Report of the President—by Peter M. Flanigan, Assistant to the President and Executive Director of the Council on International Economic Policy . . . . .	...	13 Fact sheet: proposed transportation improvement bill . . . . .	...
7 Nomination: Jack Franklin Bennett to be Under Secretary of the Treasury	189	13 News briefing: on proposed transportation legislation—by Secretary of Transportation Claude S. Brinegar . . . . .	...
		13 Nomination: W. Vincent Rakestraw to be an Assistant Attorney General . .	211
		13 News briefing: on the President's annual physical examination—by Maj. Gen. Walter R. Tkach, USAF, Physician to the President

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15 Statement: investigations by the Director of the Watergate Special Prosecution Force—by James D. St. Clair, Special Counsel to the President	214	20 News briefing: on the special message to the Congress on health programs—by Caspar W. Weinberger, Secretary, and Charles C. Edwards, Assistant Secretary for Health, Department of Health, Education, and Welfare
15 Appointment: Dean Burch as Counsellor to the President	215	21 Fact sheet: proposed legislation to control drug trafficking . . . . .	...
15 Nomination: Robert W. Dean to be United States Ambassador to Peru	215	21 News briefing: on proposed legislation to control drug trafficking—by John R. Bartels, Administrator of the Drug Enforcement Administration, Department of Justice . . . . .	...
15 Nomination: Leonard Unger to be United States Ambassador to the Republic of China	216	22 Designation: Richard E. Wiley as Chairman of the Federal Communications Commission	243
16 Nomination: Martin R. Hoffmann to be General Counsel of the Department of Defense	219	22 Designation: Mrs. Nixon as head of the United States delegation to inaugural ceremonies for the Presidents of Venezuela and Brazil	244
17 Statement: news accounts of alleged altering of Presidential tape recordings—by James D. St. Clair, Special Counsel to the President	219	22 Nomination: M. David Lowe to be an Assistant Secretary of the Army	244
19 Fact sheet: United States-Peruvian agreement on investment disputes, and negotiations leading to the the agreement's conclusion	223	23 Announcement: disaster assistance for Louisiana	244
19 Fact sheet: proposed economic adjustment assistance bill . . . . .	...	23 Advance text: radio address about the American right of privacy . . . . .	...
19 News briefing: on the proposed economic adjustment assistance bill—by Frederick B. Dent, Secretary, and William W. Blunt, Jr., Assistant Secretary for Economic Development, Department of Commerce . . . . .	...	23 Fact sheet: government initiatives and proposals on the subject of privacy . . . . .	...
19 News briefing: on emergency gasoline allocations for 20 States—by William E. Simon, Administrator of the Federal Energy Office . . . . .	...	25 Nomination: Robert Earl Holding and Hayes Robertson to be Governors of the United States Postal Service	249
20 Nomination: A. Linwood Holton to be an Assistant Secretary of State	228	26 News briefing: on their meeting with the President to discuss pending health and education legislation—by Caspar W. Weinberger, Secretary, and Frank C. Carlucci, Under Secretary, Department of Health, Education, and Welfare

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27 News briefing: on their meeting with the President to discuss pending minimum wage and unemployment compensation legislation—by Peter J. Brennan, Secretary, and Richard F. Schubert, Under Secretary, Department of Labor	8 News briefing: on the Republican Congressional leadership meeting with the President—by Senator Hugh Scott and Representative John B. Anderson
28 Nomination: Hermann F. Eilts to be United States Ambassador to the Arab Republic of Egypt	270	10 Advance text: radio address about the American Revolution Bicentennial
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1 Appointment: Marion H. Smoak as Chief of Protocol for the White House	283	10 Nomination: John W. Warner to be Administrator of the American Revolution Bicentennial Administration	313
1 Nomination: Abraham Weiss to be an Assistant Secretary of Labor	284	12 Appointment: three members of the Administrative Council of the United States	314
1 Nomination: Royston C. Hughes to be an Assistant Secretary of the Interior	284	14 Nomination: Luther Holcomb to be a member of the Federal Communications Commission	318
4 Fact sheet: veterans disability compensation program . . . . .	...	14 Nomination: David Robert Macdonald to be an Assistant Secretary of the Treasury	318
6 Appointment: United States Representative and Alternate Representative to the Administrative Council of the International Centre for Settlement of Investment Disputes, and designation of four members each of the Centre's Panel of Conciliators and Panel of Arbitrators	291	18 Nomination: four members of the Board for International Broadcasting; and designation of Chairman	334
7 Nomination: Garth Marston to be a member of the Federal Home Loan Bank Board	298	21 Nomination: Robert Strausz-Hupé to be United States Ambassador to Sweden	348
8 Fact sheet: proposed campaign reform legislation . . . . .	...	22 Nomination: James D. Hodgson to be United States Ambassador to Japan	349
8 News briefing: on proposed campaign reform legislation—by Counsellor to the President Bryce N. Harlow . . . . .	...	22 Nomination: Leonard Kimball Firestone to be United States Ambassador to Belgium	349
8 Nomination: three members of the Board of Directors of the Inter-American Foundation	308	22 Nomination: Leonard F. Walentynowicz to be Administrator, Bureau of Security and Consular Affairs, Department of State	349
		22 Nomination: Alfred L. Atherton, Jr., to be an Assistant Secretary of State	350

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26 Nomination: Paul J. Henon to be Examiner-in-Chief, United States Patent Office	356	2 Nomination: five United States Representatives and one Alternate United States Representative to the Sixth Special Session of the General Assembly of the United Nations	381
26 Fact sheet: Presidential Medal of Freedom . . . . .	...	2 News briefing: on the Republican Congressional leadership meeting with the President—by Senator Robert P. Griffin and Representative John J. Rhodes . . . . .	...
27 Nomination: 14 members of the Federal Council on the Aging; and designation of Chairman	362	3 Nomination: James G. Critzer to be Commissioner for a Federal Exhibit at the International Exposition on the Environment, held at Spokane, Wash	381
27 Nomination: Webster B. Todd, Jr., to be Inspector General, Foreign Assistance	363	3 Nomination: three members of the Board of Directors of the National Corporation for Housing Partnerships	382
27 Nomination: John M. Maury to be an Assistant Secretary of Defense	363	3 Fact sheet: national cancer program . . . . .	...
28 Communique: visit to the U.S.S.R. of Secretary of State Henry A. Kissinger	368	3 News briefing: on the national cancer program—by Benno C. Schmidt, Chairman of the President's Cancer Panel . . . . .	...
28 Fact sheet: the President's Committee on Mental Retardation . . . . .	...	4 Nomination: Gustave M. Hauser and James A. Suffridge to be members of the Board of Directors of the Overseas Private Investment Corporation	385
28 Nomination: Adm. James L. Holloway III, USN, to be Chief of Naval Operations	370	4 News briefing: on the President's meeting with the Domestic Council Committee on Veterans Services—by Donald E. Johnson, Administrator of Veterans Affairs and Chairman of the Committee . . . . .	...
29 News briefing: on the economic statistics for the month of February—by Herbert Stein, Chairman, and William J. Fellner, member, Council of Economic Advisers . . . . .	...	4 News briefing: on actions taken by the President to deal with tornado disasters in nine States—by James T. Lynn, Secretary, and Thomas P. Dunne, Administrator of the Federal Disaster Assistance Administration, Department of Housing and Urban Development	386
30 Appointment: Henry E. Catto, Jr., as Chief of Protocol for the White House; and nomination for the rank of Ambassador	377		
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8 Fact sheet: Fair Labor Standards Amendments of 1974	15 Nomination: Roger Strelow to be an Assistant Administrator of the Environmental Protection Agency . .	411
8 Nomination: John P. Constandy to be Deputy Inspector General, Foreign Assistance	392	15 Nomination: Catherine May Bedell to be a member of the United States Tariff Commission; and redesignation as Chairman	411
11 Announcement: disaster assistance for Illinois	403	15 Announcement: survey of public response to the President's position regarding his income tax returns . .	411
11 Announcement: disaster assistance for West Virginia	403	17 Nomination: William E. Simon to be Secretary of the Treasury	413
12 Announcement: disaster assistance for Michigan	404	17 Appointment: John C. Sawhill as Administrator of the Federal Energy Office	413
12 Announcement: disaster assistance for North Carolina	404	17 Advance text: remarks at a dinner honoring Latin American and Caribbean Foreign Ministers . . . . .	...
12 Appointment: six members of the President's Council on Physical Fitness and Sports	404	18 Nomination: Virginia Y. Trotter to be Assistant Secretary for Education in the Department of Health, Education, and Welfare	421
12 Nomination: Foy D. Kohler to be a member of the Board for International Broadcasting	405	18 Nomination: Terrell H. Bell to be Commissioner of Education	421
12 Appointment: six members of the Air Quality Advisory Board	405	18 Nomination: Lawrence A. Carpenter to be a member of the Board of Parole	421
12 Appointment: Leonard Garment as a member of the Council of the Administrative Conference of the United States; and designation as Vice Chairman of the Council	406	18 Announcement: disaster assistance for Mississippi	422
12 News briefing: on the President's meeting with Soviet Foreign Minister A. A. Gromyko—by Secretary of State Henry A. Kissinger . . . . .	...	19 Nomination: David P. Taylor to be an Assistant Secretary of the Air Force	422
13 Summary report: disaster assistance for 10 States . . . . .	...	19 Nomination: Sam Y. Cross to be United States Executive Director of the International Monetary Fund .	422
15 Appointment: eight members of the Advisory Commission on Intergovernmental Relations; and redesignation of Chairman and Vice Chairman .	410	19 Appointment: three members of the Defense Manpower Commission . .	423

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22 Appointment: six members of the Boards of Visitors to the Service Academies	429	29 Nomination: Virginia Duncan and Durward Belmont Varner to be members of the Board of Directors of the Corporation for Public Broadcasting .	449
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Appendix B—Additional White House Announcements

NOTE: This appendix lists items of general interest which were announced to the press during 1974 but which are not noted elsewhere in this volume. Routine announcements of appointments, nominations, resignations, and retirements may be found in the Digest of Other White House Announcements in the Weekly Compilation of Presidential Documents on the date of the announcement.

January

- 2 The President approved a second time extension for the report of the Emergency Board created on November 1, 1973, by Executive Order 11745, to investigate a labor dispute involving the Long Island Rail Road. The extension permitted the Board to file its findings and recommendations by January 14, 1974, instead of January 4.
- 9 The President, Mrs. Nixon, Tricia Cox, and C. G. Rebozo drove to Palm Desert, Calif., where they stayed at the home of Ambassador and Mrs. Walter H. Annenberg and celebrated the President's 61st birthday.
- 16 Anthony D. Marshall met with the President at the White House prior to assuming his post as United States Ambassador to Kenya.
- 17 Secretary of Housing and Urban Development James T. Lynn met with the President at the White House to discuss the recent drop in housing starts. The President directed Secretary Lynn to develop various options for the Federal Government to follow in dealing with the situation.
- 17 Secretary of Labor Peter J. Brennan met with the President at the White House to discuss pension reform legislation and employment problems resulting from the energy crisis.
- 17 Lord Cromer, British Ambassador to the United States, paid a farewell call on the President at the White House.

January

- 18 The President met separately with Senate Minority Leader Hugh Scott and House Minority Leader John J. Rhodes to discuss the legislative calendar for the second session of the 93d Congress.
- 18 John W. Dixon, president of the 1973 Christmas Pageant of Peace Committee, called on the President at the White House to present him with the committee's first "Peace Award" in recognition of his initiatives in Vietnam and China. Also participating in the ceremony were Rogers C. B. Morton, Secretary of the Interior, and Ronald H. Walker, Director of the National Park Service.
- 18 Attorney General William B. Saxbe met with the President at the White House to discuss legislation in the upcoming session of the Congress.
- 21 Secretary of State Henry A. Kissinger met with the President at the White House prior to their meeting with the bipartisan Congressional leadership. Secretary Kissinger discussed his trips to the Middle East, beginning January 11, which concluded in the agreement to disengage and separate Israeli-Egyptian forces.
- 21 The President met with Donald C. Alexander, Commissioner of Internal Revenue, and John C. Sawhill, Deputy Administrator, and William Walker, General Counsel, Federal Energy Office, to discuss plans for an IRS audit of major oil companies.

Appendix B

January

- 21 The President met with the Troika—Secretary of the Treasury George P. Shultz, Director Roy L. Ash of the Office of Management and Budget, and Chairman Herbert Stein of the Council of Economic Advisers. They discussed the President's Budget Message and Economic Report, and Secretary Shultz reported on the International Monetary Fund meetings in Rome.
- 21 Vice President Gerald R. Ford met with the President at the White House to discuss energy legislation and legislative priorities for the new session of the Congress.
- 22 The President held a breakfast meeting at the White House with Speaker of the House Carl Albert.
- 22 The President participated in a swearing-in ceremony at the White House for John H. Powell, Jr., as a member of the Equal Employment Opportunity Commission. The President designated Mr. Powell as Chairman of the Commission.
- 22 Secretary of Transportation Claude S. Brinegar met with the President at the White House to discuss transportation initiatives being developed for the State of the Union Message.
- 22 Counsellor Anne L. Armstrong met with the President at the White House to discuss Bicentennial plans.
- 22 The President met with approximately 20 Republican Members of the House of Representatives to discuss legislative plans for the second session of the 93d Congress.
- 23 The President met with the Cabinet at the White House.
- 23 The President met with approximately 20 Democratic Members of the House of Representatives to discuss the legislative calendar for the second session of the 93d Congress.

January

- 24 The President held a breakfast meeting at the White House with Senate Majority Leader Mike Mansfield.
- 24 The President met with the National Security Council in the Cabinet Room at the White House.

February

- 1 The President directed the Secretary of Labor to certify as eligible to apply for adjustment assistance under the Trade Expansion Act of 1962, employees and former employees of the Moxees Shoe Corp., Auburn, Maine, a subsidiary of Multivisions Corp., Bellows Falls, Vt.
- 1 Rev. Sun Myung Moon, founder of the Unification Church International, called on the President at the White House. The President thanked Reverend Moon for his support.
- 1 The following Ambassadors presented their credentials to the President in ceremonies at the White House: Alejandro Jose Luis Orfila of Argentina, Francisco Bertrand Galindo of El Salvador, Sahabzada Yaqub Khan of Pakistan, Ali Hedda of Tunisia, Nicos G. Dimitriou of Cyprus, Mbeka Makosso of Zaire, Ahmed Macki of the Sultanate of Oman, and Pyong-choon Hahm of South Korea.
- 4 Soviet Foreign Minister A. A. Gromyko met with the President at the White House.
- 4 The President announced the designation of Eileen R. Donovan, United States Ambassador to Barbados, as Personal Representative of the President, with the rank of Special Ambassador, to attend ceremonies celebrating the independence of Grenada on February 7.
- 5 Dr. James Salmon of Baytown, Tex., newly elected chairman of the board of trustees of the American Medical Association, met with the President at the White House.

Appendix B

February

- 5 The President greeted Senator Bill Brock, State Senator Bill Carter, and Dr. William C. McAfee of Jackson, Tenn. They presented petitions in support of the President.
- 5 The President met with Mr. and Mrs. J. Mark Trice to express his thanks and best wishes on the occasion of Mr. Trice's retirement, after 53 years, as secretary for the minority, United States Senate.
- 5 The President greeted Senator and Mrs. Bob Packwood and their 8-year-old son, Bill.
- 6 The President had a breakfast meeting with the Chowder and Marching Society and the SOS Club, groups of Republican Members of the House of Representatives.
- 6 George H. Bush, chairman of the Republican National Committee, and Arthur Fletcher, director of the National Black Republican Council, met with the President at the White House to report on a recent meeting of the Republican Executive Committee.
- 6 William E. Simon, Administrator of the Federal Energy Office, met with the President at the White House for a general review of energy matters.
- 6 The President met at the White House with approximately 20 Republican Members of the House of Representatives to discuss national issues, pending legislation, and legislation to be sent to the Congress in the following week.
- 7 Walter J. Stoessel, Jr., met with the President at the White House prior to assuming his post as United States Ambassador to the Soviet Union.
- 8 Members of the President's Foreign Intelligence Advisory Board met with the President in the Cabinet Room at the White House.

February

- 9 The President met at the White House with Secretary of State Henry A. Kissinger, Secretary of the Treasury George P. Shultz, Administrator of the Federal Energy Office William E. Simon, and Deputy Assistant to the President for National Security Affairs Maj. Gen. Brent Scowcroft, USAF, to discuss plans for the meeting of oil-consuming nations held at the Department of State beginning February 11.
- 11 The President met at the White House with a delegation from the Albert Schweitzer Hospital Committee. The President was honorary co-chairman of the international fund drive for the hospital located in Lambaréné, Gabon. A grant-in-aid of \$1 million for the hospital was approved by the Congress and is contained in the foreign assistance appropriations for fiscal year 1974.
- 11 Secretary of Agriculture Earl L. Butz and senior officials of the Department of Agriculture met with the President at the White House.
- 12 The President and Mrs. Nixon attended a party celebrating the 90th birthday of Alice Roosevelt Longworth at her home in Washington.
- 13 William E. Simon, Administrator of the Federal Energy Office, met with the President at the White House to discuss the energy situation.
- 16 Secretary of State Henry A. Kissinger met with the President at Key Biscayne, Fla., to discuss the Washington Energy Conference, the Middle East situation, and the forthcoming Latin American foreign ministers conference in Mexico City.
- 19 Administrator William E. Simon and Deputy Administrator John C. Sawhill of the Federal Energy Office met with the President at the White House prior to announcing emergency increases in gasoline allocations for 20 States.

Appendix B

February

- 20 Republican Congressional leaders met with the President in the Cabinet Room at the White House to discuss campaign reform, as well as the emergency energy bill and the health message.
- 20 Vice President Ford met with the President at the White House.
- 21 The President met with the Cabinet at the White House.
- 21 Fifteen Boy Scouts and Explorers presented the Scouts' annual report to the President in a ceremony at the White House.
- 22 The President met with a group of advisers at the White House to discuss the economy and the energy crisis. Participating in the meeting were: George P. Shultz, Secretary of the Treasury; Roy L. Ash, Director of the Office of Management and Budget; William E. Simon, Administrator of the Federal Energy Office; John T. Dunlop, Director of the Cost of Living Council; and Herbert Stein, Chairman of the Council of Economic Advisers.
- 22 The President greeted members of the National Citizens' Committee for Fairness to the Presidency at a White House reception.
- 26 The President opened the first meeting of the Domestic Council Committee on the Right of Privacy in the Cabinet Room.
- 26 The President hosted a dinner at the White House for Directors of the U.S.-U.S.S.R. Trade and Economic Council who were in Washington for the first joint meeting of the Council.
- 27 The President held a breakfast meeting at the White House with Vice President Ford and members of the Republican Congressional leadership—Senators Hugh Scott and Robert P. Griffin and Representatives John J. Rhodes and Leslie C. Arends.
- 27 Counsellor Anne L. Armstrong met with the President at the White House to discuss plans for the Bicentennial celebration.

February

- 28 Senator William Lloyd Scott of Virginia met with the President at the White House.
- 28 The White House announced: The Governments of Egypt and the United States have agreed to resume diplomatic relations on February 28, 1974. The two Governments express the hope that this step will develop and strengthen relations between their countries and contribute substantially to better mutual understanding and co-operation. The Government of Egypt has named Dr. Ashraf Ghorbal as Ambassador to the United States. The President of the United States intends to nominate Mr. Hermann Eilts as Ambassador to Egypt.
- 28 Hernan Navarro, president, and William R. Joyce, secretary of the Consular Corps of Washington, called on the President at the White House to present him with a certificate of membership. The corps is composed of all foreign consular officers located in the District of Columbia.
- 28 The President hosted a dinner at the White House for approximately 30 Members of Congress and their wives.

March

- 1 The President met with a group of advisers at the White House to discuss the energy problem and its impact on the economy. Participating in the meeting were: George P. Shultz, Secretary of the Treasury; Roy L. Ash, Director of the Office of Management and Budget; William E. Simon, Administrator of the Federal Energy Office; Herbert Stein, Chairman of the Council of Economic Advisers; and John T. Dunlop, Director of the Cost of Living Council.
- 1 Mayor Tom Stuart, Leo Howard, Lon Smith, and Roy Pitts—all of Meridian, Miss.—called on the President at the White House. They presented him with a statement of support signed by 20,000 Mississippians. They were accompanied by Representative G. V. (Sonny) Montgomery.

Appendix B

March

- 1 Representatives of the Reserve Officers Association met with the President at the White House.
- 1 The President and Mrs. Nixon hosted a dinner at the White House for 26 Members of Congress and their wives.
- 4 Secretary of Housing and Urban Development James T. Lynn met with the President at the White House to discuss the latest legislative developments concerning the proposed better communities act. During the meeting, they were joined by Under Secretary Floyd H. Hyde whose resignation the President had accepted with deep regret.
- 4 Nello Teer and James Sprouse, president and executive vice president, respectively, of the Associated General Contractors of America, called on the President at the White House.
- 5 The President held a breakfast meeting at the White House with the chairmen and ranking Republican members of the Senate and House Appropriations Committees to discuss appropriations for the fiscal 1975 budget.
- 5 Vice President Ford met with the President at the White House.
- 5 Secretary of State Henry A. Kissinger met with the President at the White House to discuss his trip to the Middle East and his recent discussions in Europe.
- 7 Richard F. Proud, speaker of the Nebraska Legislature, met with the President at the White House to discuss energy matters.
- 7 Winners of the Federal Woman's Award for 1973 met with the President at the White House.
- 7 The President and Mrs. Nixon hosted a dinner at the White House for Governors and their wives attending the annual winter meeting of the National Governors Conference in Washington.

March

- 8 The President met with the Cabinet at the White House for a discussion of Secretary of State Kissinger's trip to the Middle East, the energy situation, and the President's message to the Congress on campaign reform.
- 8 The President participated in a swearing-in ceremony at the White House for Dean Burch as Counsellor to the President.
- 12 King Hussein of Jordan met with the President at the White House.
- 13 The President met with a group of advisers at the White House to discuss the economy and energy. Participating in the meeting were: George P. Shultz, Secretary of the Treasury; Roy L. Ash, Director of the Office of Management and Budget; William E. Simon, Administrator of the Federal Energy Office; John T. Dunlop, Director of the Cost of Living Council; and Herbert Stein, Chairman of the Council of Economic Advisers.
- 13 Mrs. Donald Spicer, president of the Daughters of the American Revolution, called on the President at the White House.
- 13 Miss Kathy Raskin, 1974 Maid of Cotton, called on the President at the White House. She was accompanied by Representative Sam Steiger of Arizona.
- 13 The following Ambassadors presented their credentials to the President in ceremonies at the White House: Sir Patrick Shaw of Australia, Constantine P. Panayotacos of Greece, Gerard S. Bouchette of Haiti, Sir Peter Ramsbotham of the United Kingdom, and Joseph Nizeyimana of Rwanda.
- 21 The President met with the National Security Council in the Cabinet Room at the White House.
- 22 The President met with Secretary of State Henry A. Kissinger prior to the Secretary's departure for the Soviet Union on March 24 for discussions with the Soviet leadership in preparation for the President's visit later in the year.

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March

- 22 The President met with Dean Burch, Counsellor to the President.
- 22 The President met with Albert Renlin, of Hannibal, Mo.; Joseph Stevens and Marion E. Ramsey, of Kansas City, Mo.; and W. Marshall Geisecke, of Shawnee Mission, Kans. The group had sponsored newspaper advertisements in support of the President. The President thanked them for their active support.
- 22 The President met with Special Envoy James R. Greene to thank him for his efforts in securing a settlement with the Government of Peru for expropriated U.S. properties.
- 22 Lew Cenger, president, Lloyd Clark, former president, and Nat Rogg, executive vice president of the National Association of Home Builders, called on the President at the White House.
- 25 The President held a breakfast meeting at the White House with Senators James O. Eastland and John C. Stennis.
- 25 In a ceremony in the Oval Office, the President signed a request for a budget acceleration for the Mississippi River Flood Control Program.
- 25 Vice President Ford met with the President at the White House.
- 25 The national officers of the Greek fraternal Order of Ahepa called on the President at the White House on the occasion of Greek Independence Day.
- 25 Senator Bill Brock, chairman of the Republican Senatorial Campaign Committee, Representative Robert H. Michel, chairman of the National Republican Congressional Committee, and George H. Bush, Republican National Chairman, met with the President at the White House.

March

- 25 The White House announced that Special Assistant to the President Stanley S. Scott would fly to West Africa to study the drought problem in the six sub-Sahara countries. He attended the Sahel Chiefs of Mission Conference in Abidjan, Ivory Coast, on March 29-30 and visited Upper Volta on April 1-3, 1974.
- 26 The President met with Bernice Pentell of Berkeley and Beverly Acker of Concord, Calif., who organized the collection of approximately 68,000 signatures in support of the President's policies.
- 26 Gen. Andrew J. Goodpaster, Supreme Allied Commander, Europe, met with the President at the White House to review current NATO issues.
- 27 The President greeted Mr. and Mrs. William Roy Anderson, of Memphis, Tenn. Mr. Anderson was a television cameraman who was responsible for halting a getaway car in a bank robbery on March 18. They were accompanied by Attorney General William B. Saxbe, FBI Director Clarence M. Kelley, and Representative Dan H. Rostenkowski.
- 28 The President met with the Cabinet at the White House.
- 28 Ambassador and Mrs. Philip W. Manhard met with the President at the White House prior to leaving for Ambassador Manhard's new assignment as United States Ambassador to Mauritius.
- 28 Mrs. Martin Erck, a Republican campaign worker from Houston, Tex., called on the President at the White House. She was accompanied by Representative Bill Archer.
- 28 The President met with Staff Assistant Jack D'Arcy who was leaving the White House Staff. The President thanked Mr. D'Arcy for his 2½ years of work on the staff.

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March

- 28 The President and Mrs. Nixon hosted a reception at the White House for members of the National Newspaper Publishers Association.
- 29 Secretary of State Henry A. Kissinger met with the President at the White House to report on his meetings with Soviet leaders in Moscow.

April

- 2 Secretary of Commerce Frederick B. Dent met with the President at the White House to discuss the Secretary's forthcoming trip to the Soviet Union, Bulgaria, and Romania.
- 2 The President greeted the 10 finalists in the 28th annual "Boy of the Year" competition of the Boys' Clubs of America. He presented a plaque to George Clark, age 17, of Philadelphia, Pa., who was selected as the "Boy of the Year."
- 2 The President met at the White House with Graem Yates, of Charlotte, N.C., who had painted a portrait of the President. Mr. Yates was accompanied by Representative James G. Martin.
- 2 The President met at the White House with Robert Semler, of Pitman, N.J., who had painted a portrait of the President. Mr. Semler was accompanied by Representative John E. Hunt.
- 3 The President held a breakfast meeting at the White House with Senate Majority Leader Mike Mansfield.
- 4 Marion H. Smoak, who had resigned as Chief of Protocol, met with the President.
- 4 The President greeted Connie Okum, of Cincinnati, Ohio, who collected 14,000 signatures in support of the President's policies.

April

- 4 J. A. Fletcher, age 87, of Raleigh, N.C., called on the President at the White House. He was accompanied by Senator Jesse A. Helms.
- 4 The President and Mrs. Nixon hosted a dinner at the White House for members of the Chowder and Marching Society.
- 5 The President telephoned Henry Aaron of the Atlanta Braves baseball team to congratulate him on hitting his record-tying 714th home run.
- 11 President Houari Boumedienne of Algeria met with President Nixon at the White House. In the evening, President Nixon hosted a working dinner for the Algerian President.
- 17 Klaus Schütz, mayor of West Berlin, met with the President at the White House.
- 17 Former Gov. Nelson A. Rockefeller met with the President at the White House to discuss the Governor's National Commission on Critical Choices for America.
- 18 Egyptian Foreign Minister Ismail Fahmy met with the President at the White House.
- 18 The President presented the 1974 National Teacher of the Year Award to Vivian Tom of Yonkers, N.Y., at a ceremony in the Oval Office at the White House. Secretary of Health, Education, and Welfare Caspar W. Weinberger also attended the ceremony.
- 23 The President met at the White House with the Quadriad—Secretary of the Treasury-designate William E. Simon, Director Roy L. Ash of the Office of Management and Budget, Chairman Arthur F. Burns of the Federal Reserve Board, and Acting Chairman Gary L. Seevers of the Council of Economic Advisers. Director John T. Dunlop of the Cost of Living Council also participated in the meeting.

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April

- 25 The President hosted a reception at the White House for Republican National Committee members and Republican State chairmen who were meeting in Washington.
- 26 The White House announced that a bipartisan delegation of State Governors had been invited by the Chinese People's Institute of Foreign Affairs to visit the People's Republic of China in mid-May for 10 days. The delegation was headed by Gov. Daniel J. Evans of Washington and included Governors Calvin L. Rampton of Utah, Arch A. Moore, Jr., of West Virginia, Robert D. Ray of Iowa, Marvin Mandel of Maryland, and Philip W. Noel of Rhode Island.

May

- 1 A group of individuals called on the President at the White House to present him with petitions of support. The group included: Elizabeth Umstattd, of Villanova, Pa.; Peggy Sandborn and Ruth Clark, of Shelby Township, Mich.; Mr. and Mrs. Woodrow Woody, of Mount Clemens, Mich.; Leslie Dutton and Frances Finnen, of Malibu, Calif.; Lillian Vincent, of Pepper Pike, Ohio; Joan Aikens, of Philadelphia, Pa.; and Mr. and Mrs. Stanley Smith, of Olney, Md.
- 1 The Strawberry Queen of 1974, Candace Curtis, of New Martinsville, W. Va., called on the President at the White House. She was accompanied by Representative Harley O. Staggers.
- 2 The White House made available a progress report to the President on the activities of the Interagency Classification Review Committee.
- 4 The White House announced that the President had completed his personal review of the general court-martial case of *United States v. Calley* and had decided that no action on the case by the President was necessary or appropriate.

May

- 6 The President announced the designation of a delegation to represent him at inaugural ceremonies for Daniel Oduber Quirof as President of Costa Rica in San Jose from May 7 to 10. The members of the delegation, all with the rank of Special Ambassador, were: Senator Lawton Chiles of Florida and Representative Manuel Lujan, Jr., of New Mexico, Personal Representatives of the President; and Lyle Lane, United States Chargé d'Affaires in Costa Rica, Representative of the President.
- 7 The President met at the White House with the following economic advisers: Secretary of the Treasury George P. Shultz, Secretary of the Treasury-designate William E. Simon, Director Roy L. Ash of the Office of Management and Budget, and Chairman Herbert Stein of the Council of Economic Advisers. Housing and Urban Development Secretary James T. Lynn also participated in the meeting for a discussion of housing proposals.
- 7 Special Counsel to the President James D. St. Clair announced: "I just returned from Mr. Doar's office, and I advised him that the President has directed me to inform the [House Judiciary] Committee through him that the President respectfully declines to produce any more Watergate tapes for the committee's use. And at the direction of the President, I have also advised Mr. Jaworski [the Special Prosecutor] that the President has instructed me to press forward on our motion to quash Mr. Jaworski's subpoena."
- 9 David L. Cole, Chairman of the National Commission for Industrial Peace, met with the President to present the Commission's report and recommendations on ways to improve the collective bargaining process in the private sector. Former Secretary of the Treasury George P. Shultz and Director John T. Dunlop of the Cost of Living Council also participated in the meeting.

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May

- 9 A group of representatives of the Nation's veterans organizations, including a number of Vietnam veterans, met with the President at the White House.
- 9 The President greeted David McCormick and Bill Moran, of Monroe, La., who represented a group which had gathered 16,000 signatures of support for the President and his policies. They were accompanied by Representative Otto E. Passman.
- 10 The President met with Vice President Ford in the President's office in the Old Executive Office Building.
- 14 Gen. George S. Brown, Chief of Staff of the Air Force and nominated to be Chairman of the Joint Chiefs of Staff, and Gen. David C. Jones, nominated to be Chief of Staff of the Air Force, met with the President at the White House. Also attending the meeting were Secretary of Defense James R. Schlesinger and Secretary of the Air Force John L. McLucas.
- 14 The President greeted retired Maj. Gen. Julius Klein, a member of the board of directors of the National Citizens' Committee for Fairness to the Presidency.
- 14 Nine Congressmen were the President's guests for dinner on board the Presidential yacht *Sequoia*.
- 15 Charles M. Boteler, Jr., of Rockville, Md., president of the National Association of Mutual Insurance Agents, called on the President at the White House.
- 15 The President greeted Mrs. Oliver Rowe and Andy Untener, of Charlotte, N.C., who obtained 7,000 signatures on petitions in support of the President. They were accompanied by Representative James G. Martin.

May

- 15 John F. Thomas, Director of the Intergovernmental Committee for European Migration, met with the President at the White House to report on the work of the Committee. The Committee is an independent international organization whose purpose is to relocate refugees from various parts of the world.
- 15 The President and Mrs. Nixon stopped in briefly at a party at the F Street Club in Washington for Leonard K. Firestone, the new United States Ambassador to Belgium.
- 16 The President met at the White House with Counsellors Anne L. Armstrong and Dean Burch and Republican National Chairman George H. Bush for a general discussion of political matters.
- 16 Roy L. Ash, Director of the Office of Management and Budget, met with the President at the White House to discuss economic matters and the budget.
- 21 Foreign Minister Masayoshi Ohira of Japan met with the President at the White House.
- 21 NATO Secretary General Joseph Luns met with the President at the White House.
- 22 The President greeted Douglas Gaudion, the new chairman of the board of the National Association of Manufacturers, and E. Douglas Kenna, president of the NAM.
- 22 The President met with foreign ministers of the Central Treaty Organization who were in Washington for the annual meeting of CENTO's Council of Ministers. Participating in the meeting were: James Callaghan of the United Kingdom, Abbas Ali Khalatbari of Iran, Melih Esenbel of Turkey, Aziz Ahmed of Pakistan, Nassir Assar, Secretary General of CENTO, and Kenneth Rush, Acting Secretary of State.

Appendix B

May

- 23 The President held a breakfast meeting at the White House with Senators Russell B. Long and Wallace F. Bennett to discuss the trade reform bill pending before the Senate Finance Committee.
- 23 Aziz Ahmed, Pakistani Minister of State for Foreign Affairs and Defense, met with the President at the White House.
- 23 The President met with eight members of the Presidium of the Supreme Soviet of the U.S.S.R. who were visiting the United States at the invitation of the Congress.
- 23 Vice President Ford met with the President in the Oval Office at the White House.
- 23 The President met at the White House with a group of economic advisers. Participating in the meeting were: Secretary of the Treasury William E. Simon, Director Roy L. Ash of the Office of Management and Budget, Chairman Arthur F. Burns of the Federal Reserve Board, Chairman Herbert Stein of the Council of Economic Advisers, and Director John T. Dunlop of the Cost of Living Council.
- 28 The President met with the Cabinet at the White House.
- 28 The President greeted a delegation of eight local government officials from the Soviet Union who were visiting the United States at the invitation of the National Governors' Conference. The President then met separately with Soviet Ambassador A. F. Dobrynin who had accompanied the delegation.
- 29 Eleven Congressmen were the President's guests for dinner on board the Presidential yacht *Sequoia*.
- 30 Vice President Ford met with the President in the Oval Office at the White House to discuss developments in the Middle East and other foreign policy matters.

May

- 31 Secretary of State Henry A. Kissinger breakfasted with the President at the White House and reported on his trip to the Middle East and the achievement of the Syrian-Israeli disengagement agreement.
- 31 The bipartisan Congressional leadership met with the President at the White House. Secretary of State Kissinger briefed the leaders on the Syrian-Israeli disengagement agreement.
- 31 The White House announced: The Governments of the United States and Egypt agreed today to the formation of a joint cooperation commission which will be designed to promote intensified cooperation in the economic, scientific and cultural fields between the two countries. Both Governments are convinced that such a joint commission will enable the United States and Egypt to develop far-reaching programs to their mutual benefit. Today's agreement is a result of a series of discussions between President Anwar Sadat and Secretary of State Henry A. Kissinger and reflects the deep desire of the two countries to strengthen their overall relationships. In agreeing to establish this joint commission, both Governments are further reaffirming their hope that a lasting and just peace in the Middle East will be realized thus helping the people of the area enjoy the rewards of stability and development. The commission will be chaired by the foreign ministers of each country. It will establish working groups. Its first meeting will take place in the near future.
- 31 E. Ross Adair, who resigned as United States Ambassador to Ethiopia, paid a farewell call on the President at the White House.
- 31 Counsellors Anne L. Armstrong, Dean Burch, and Kenneth Rush and Assistant to the President Kenneth R. Cole, Jr., met with the President at the White House to discuss pending legislation and other domestic matters.

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June

- 1 Kurt Waldheim, Secretary General of the United Nations, met at the White House with the President, Secretary of State Henry A. Kissinger, and John A. Scali, United States Ambassador to the United Nations. They discussed the results of Secretary Kissinger's recent trip to the Middle East and the Syrian-Israeli disengagement, prior to the Secretary General's trip to the Middle East.
- 3 Lowell Thomas met with the President at the White House to discuss Mr. Thomas' impressions of America's position in the world and world energy resources.
- 5 The following Ambassadors presented their credentials to the President in ceremonies at the White House: Bawoyeu Alingue of Chad, Habib Bah of Guinea, Count Wilhelm Wachtmeister of Sweden, Lubomir Dimitrov Popov of Bulgaria, Michel Mesanvi Kekeh of Togo, and Siteke Gibson Mwale of Zambia.
- 5 Senator Mike Mansfield met with the President at the White House to discuss the Senator's recent trip to France and his meeting with French President Valéry Giscard d'Estaing.
- 6 Secretary of Defense James R. Schlesinger met with the President at the White House prior to the Secretary's departure for a series of NATO meetings in Europe.
- 6 Senators Carl T. Curtis and Bob Dole met with the President at the White House to discuss problems facing the cattle-producing areas of the Nation.
- 20 The President held separate meetings at the White House with members of the bipartisan Congressional leadership and members of the Cabinet following his return from the Middle East.
- 20 The President met at the White House with the National Security Council.

June

- 21 The President approved a National Mediation Board request to extend the reporting deadline from June 20 to July 2, 1974, for the Emergency Board created to investigate the dispute between the National Railway Labor Conference and certain of its employees. The Emergency Board was created by Executive Order 11783 of May 21, 1974.

July

- 7 The President went by helicopter to Palm Beach, Fla., to visit the Mar-A-Lago estate which was bequeathed to the Federal Government upon the death of Marjorie Merriweather Post as a temporary residence for visiting foreign dignitaries and heads of state. He then returned to Key Biscayne.
- 8 Vice President Ford met with the President in the Oval Office at the White House to review the President's trip to Belgium and the Soviet Union and to discuss domestic legislation.
- 8 On behalf of the President, Special Counsel James D. St. Clair presented oral argument in the Supreme Court of the United States in the case of *United States v. Richard M. Nixon, President of the United States, et al.*, and *Richard M. Nixon, President of the United States v. United States*.
- 8 The President met with Counsellors Anne L. Armstrong, Dean Burch, and Kenneth Rush.
- 9 Secretary of the Treasury William E. Simon met with the President at the White House to discuss the Secretary's upcoming trip to the Middle East and Europe.
- 9 The President met with a group of economic advisers. Participating in the meeting were: Counsellor to the President Kenneth Rush, Secretary of the Treasury William E. Simon, Director Roy L. Ash of the Office of Management and Budget, Chairman Arthur F. Burns of the Federal Reserve Board, and Chairman Herbert Stein of the Council of Economic Advisers.

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July

- 9 James D. Hodgson called on the President at the White House prior to assuming his post as United States Ambassador to Japan.
- 9 Roy L. Ash, Director of the Office of Management and Budget, met with the President to discuss the domestic economy and the budget.
- 9 Secretary of the Interior Rogers C. B. Morton and Under Secretary of the Interior John C. Whitaker met with the President at the White House.
- 10 The bipartisan Congressional leadership met with the President at the White House. The President and Secretary of State Henry A. Kissinger briefed the leaders on the President's meetings in Brussels and the Soviet Union.
- 10 Secretary of Labor Peter J. Brennan met with the President to discuss the problem of unemployment and Labor Department programs.
- 10 The President submitted to Judge Gerhard A. Gesell a sworn response to written interrogatories in the case of *United States of America v. John D. Ehrlichman, et al.*
- 10 Ten Congressmen were the President's guests for dinner on board the Presidential yacht *Sequoia*.
- 11 The President held a breakfast meeting at the White House with Vice President Ford and House Republican leaders John J. Rhodes and Leslie C. Arends. They discussed the legislative calendar for the remainder of the year.
- 11 The President met with the Cabinet to discuss the problem of inflation.

July

- 11 Vice President Ford and Senate Republican leaders Hugh Scott and Robert P. Griffin met with the President to discuss the legislative calendar for the remainder of the year.
- 11 Senator Carl T. Curtis of Nebraska and Representative LaMar Baker of Tennessee met with the President.
- 12 The President met with Dana Mead of the Domestic Council who was leaving the White House Staff to join the faculty of the U.S. Military Academy at West Point, N.Y.
- 12 The President met with Roy Goodearle who was leaving his position as Associate Director of the Oil and Gas Division in the Department of the Interior.
- 12 Secretary of Agriculture Earl L. Butz met with the President at the White House.
- 15 The President and members of the First Family went to Palm Desert, Calif., from their residence in San Clemente where they remained overnight at the home of Walter H. Annenberg, United States Ambassador to the United Kingdom.
- 17 The White House announced that, at the recommendation of the Secretary of State, the President decided to send Under Secretary of State Joseph J. Sisco to London for talks about Cyprus with British and Turkish officials.
- 24 The President sent a personal message to Greek Prime Minister Konstantinos Karamanlis congratulating him on the assumption of his new responsibilities and expressing the full support of the United States Government in the effort to reestablish peace on Cyprus and within the Alliance. The President also stated that he was looking forward to close and friendly relations with the new leader of Greek democracy.

Appendix B

July

- 25 The President announced the designation of Secretary of the Interior Rogers C. B. Morton to be his Personal Representative, with the rank of Special Ambassador, at ceremonies marking the 100th anniversary of the settlement of Iceland, held in Thingvellir and Reykjavik from July 27 to 30.
- 25 The President announced the designation of a delegation to represent him at inaugural ceremonies for Alfonso López Michelsen as President of Colombia in Bogotá on August 6 and 7. The members of the delegation were: Viron P. Vaky, United States Ambassador to Colombia, as his Personal Representative, with the rank of Special Ambassador; Vernon D. McAninch, United States Consul General in Bogotá; and Donald A. Johnston, United States Counselor of Embassy for Political Affairs-designate.
- 26 The President met at the Western White House with Herbert G. Klein, former Director of Communications for the Executive Branch.

August

- 6 The President met with the Cabinet at the White House. Following the meeting, he met with Secretary of State Henry A. Kissinger.
- 6 Rabbi Baruch Korff, president of the National Citizens' Committee for Fairness to the Presidency, met with the President at the White House.
- 7 The White House released copies of the report entitled "Federal Strategy for Drug Abuse and Drug Traffic Prevention—1974" prepared by the Strategy Council on Drug Abuse.
- 8 The President announced the designation of Robert A. Hurwitch, United States Ambassador to the Dominican Republic, as his Personal Representative, with the rank of Special Ambassador, to attend inaugural ceremonies for Joaquín Balaguer as President of the Dominican Republic in Santo Domingo August 14 to 18.

Appendix C—Presidential Documents Published in the Federal Register

NOTE: The texts of these documents are also printed in title 3A of the Code of Federal Regulations. Texts of the proclamations and Executive orders are printed in the Weekly Compilation of Presidential Documents for the period covered by this volume.

PROCLAMATIONS

<i>Proc. No.</i>	<i>Date 1974</i>	<i>Subject</i>	<i>39 F.R. page</i>
4258	Jan. 2	Amending part 3 of the Appendix to the Tariff Schedules of the United States with respect to the importation of agricultural commodities. .	959
4259	Jan. 24	International Clergy Week in the United States	353 ¹
4260	Jan. 25	Amending part 3 of the Appendix to the Tariff Schedules of the United States with respect to the importation of agricultural commodities. .	3533
4261	Jan. 25	National MIA Awareness Day	3535
4262	Jan. 30	International Women's Year 1975	4061
4263	Feb. 4	American Heart Month, 1974	4659
4264	Feb. 6	National Nurse Week, 1974	4865
4265	Feb. 6	National Port Week, 1974.	4867
4266	Feb. 7	National Inventors' Day, 1974	5173
4267	Feb. 7	Save Your Vision Week, 1974	5175
4268	Feb. 7	National Poison Prevention Week, 1974	5177
4269	Feb. 21	National Farm Safety Week, 1974	7123
4270	Feb. 26	Vietnam Veterans Day ¹	7773
4271	Feb. 26	National Safe Boating Week, 1974	7775
4272	Feb. 26	Providing for the quantitative limitation on the importation of certain meats into the United States.	7777
4273	Feb. 27	Red Cross Month, 1974.	7921
4274	Mar. 4	Amending part 3 of the Appendix to the Tariff Schedules of the United States with respect to the importation of agricultural commodities. .	8315

¹ Proclamation 4270 is printed in full on page 212 of this volume.

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<i>Proc. No.</i>	<i>Date 1974</i>	<i>Subject</i>	<i>39 F.R. page</i>
4275	Mar. 18	American Forestry Week and World Forestry Day, 1974.	10413
4276	Mar. 21	Armed Forces Day	10877
4277	Mar. 25	Loyalty Day, 1974	11169
4278	Mar. 25	World Trade Week, 1974	11171
4279	Mar. 29	Modifying trade agreement concessions and adjustment of duty on certain ball bearings	11861
4280	Apr. 3	National Maritime Day, 1974	12325
4281	Apr. 3	Cancer Control Month, 1974	12327
4282	Apr. 3	25th Anniversary of NATO	12329
4283	Apr. 4	Small Business Week, 1974	12331
4284	Apr. 13	Pan American Day and Pan American Week	13623
4285	Apr. 16	Mother's Day, 1974	13867
4286	Apr. 19	National Coin Week 1974	14183
4287	Apr. 20	Earth Week, 1974	14333
4288	Apr. 20	National Volunteer Week, 1974	14335
4289	Apr. 30	Law Day, U.S.A., 1974	15251
4290	May 1	National Arthritis Month, 1974	15253
4291	May 1	Older Americans Month, 1974	15255
4292	May 11	National Defense Transportation Day and National Transportation Week, 1974.	17213
4293	May 11	Legal Rights for Retarded Citizens Week, 1974	17215
4294	May 25	Prayer for Peace, Memorial Day, May 27, 1974	18627
4295	May 31	Flag Day and National Flag Week, 1974	19767
4296	June 4	World Environment Day, 1974	20051
4297	June 7	Father's Day, 1974	20471
4298	June 25	Modifying part 3 of the Appendix to the Tariff Schedules of the United States with respect to the importation of agricultural commodities. .	23951
4299	July 9	World Population Year, 1974	25445
4300	July 9	United Nations Day, 1974	25447

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<i>Proc. No.</i>	<i>Date 1974</i>	<i>Subject</i>	<i>39 F.R. page</i>
4301	July 9	White Cane Safety Day, 1974	25449
4302	July 12	Captive Nations Week, 1974	26015
4303	July 13	United States Space Week, 1974	26017
4304	July 16	Terminating, in part, the suspension of benefits of trade agreement concessions and adjustment of duty on certain brandy	27277
4305	July 31	National Forest Products Week, 1974	27889
4306	Aug. 5	United States Customs 185th Anniversary Year	28413
4307	Aug. 7	National Student Government Day, 1974	28605

EXECUTIVE ORDERS

<i>E.O. No.</i>	<i>Date 1974</i>	<i>Subject</i>	<i>39 F.R. page</i>
11758	Jan. 15	Delegating authority of the President under the Rehabilitation Act of 1973	2075
11759	Jan. 15	Prescribing the compensation of certain officials in the Domestic and International Business Administration, Department of Commerce	2077
11760	Jan. 17	Designating the European Space Research Organization (ESRO) as a public international organization entitled to enjoy certain privileges, exemptions, and immunities	2343
11761	Jan. 17	Facilitating coordination of Federal education programs	2345
11762	Jan. 17	Delegating to the Administrator of Veterans Affairs certain authority relating to grants-in-aid to the Republic of the Philippines for med- ical care and treatment of veterans	2347
11763	Jan. 17	Establishing the National Commission for the Observance of World Population Year, 1974	2349
11764	Jan. 21	Relating to nondiscrimination in federally assisted programs.	2575
11765	Jan. 21	Providing for sale of vessels of the Navy	2577
11766	Jan. 29	Modifying rates of interest equalization tax	3807
11767	Feb. 19	Designating the Organization of African Unity as a public interna- tional organization entitled to enjoy certain privileges, exemptions, and immunities	6603
11768	Feb. 20	Placing certain positions in levels IV and V of the Executive Sched- ule	6693
11769	Feb. 21	Providing for compliance with the Federal Advisory Committee Act	7125

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<i>E.O. No.</i>	<i>Date 1974</i>	<i>Subject</i>	<i>39 F.R. page</i>
11770	Feb. 21	Delegating functions relating to the International Symposium on Geothermal Energy—1975	7127
11771	Mar. 18	Extending diplomatic privileges and immunities to the Liaison Office of the People's Republic of China in Washington, D.C., and to members thereof	10415
11772	Mar. 21	Delegating certain Fishermen's Protective Fund functions to the Secretary of State	10879
11773	Mar. 21	Revoking the authority of the Department of Agriculture to inspect income tax returns	10881
11774	Mar. 26	Amending Executive Order No. 11768, placing certain positions in levels IV and V of the Executive Schedule	11413
11775	Mar. 26	Abolishing the Energy Policy Office	11415
11776	Mar. 28	Continuing the President's Committee on Mental Retardation and broadening its membership and responsibilities	11865
11777	Apr. 12	Amending Executive Order No. 11691, adjusting rates of pay for Federal civilian employees	13519
11778	Apr. 12	Amending Executive Order No. 11692, adjusting the rates of pay for members of the uniformed services	13521
11779	Apr. 19	Delegating the authority of the President under section 9 of the United Nations Participation Act, as amended, to the Secretary of State	14185
11780	Apr. 22	Amending Executive Order No. 11768, placing certain positions in levels IV and V of the Executive Schedule	14497
11781	May 1	Providing for an orderly termination of the economic stabilization program	15749
11782	May 6	Establishing the Federal Financing Bank Advisory Council	15991
11783	May 21	Creating an emergency board to investigate a dispute between the carriers represented by the National Railway Labor Conference and certain of their employees	18067
11784	May 30	Delegating to the Administrator of General Services certain authority to issue regulations relating to joint funding	19443
11785	June 4	Amending Executive Order No. 10450, as amended, relating to security requirements for Government employment, and for other purposes	20053
11786	June 7	Providing for the inspection of the President's tax returns by the Committee on the Judiciary, House of Representatives	20473

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11787	June 11	Revoking Executive Order No. 10987, relating to agency systems for appeals from adverse actions	20675
11788	June 18	Providing for the orderly termination of economic stabilization activities.	22113
11789	June 25	Redesignating the East-West Trade Policy Committee as the President's Committee on East-West Trade	23183
11790	June 25	Providing for the effectuation of the Federal Energy Administration Act of 1974	23185
11791	June 25	Exempting Kenneth H. Tuggle from mandatory retirement	23189
11792	June 25	Abolishing the Advisory Council on Intergovernmental Personnel Policy	23191
11793	July 10	Designating certain officers of the Department of Agriculture to act as Secretary of Agriculture	25631
11794	July 11	Revoking Executive Order No. 10958, relating to the Civil Defense medical and food stockpiles.	25937
11795	July 11	Delegating disaster relief functions under the Disaster Relief Act of 1974 to the Secretaries of Defense, Agriculture, and Housing and Urban Development	25939
11796	July 30	Continuing the regulation of exports	27891
11797	July 31	Delegating to the Secretary of Agriculture the function of submitting an annual report to the Congress concerning the location of new Federal facilities in rural areas	27893

Appendix C

PRESIDENTIAL DOCUMENTS OTHER THAN
PROCLAMATIONS AND EXECUTIVE ORDERS

<i>Date</i> <i>1974</i>	<i>Subject</i>	<i>39 F.R.</i> <i>page</i>
Jan. 21	Presidential Determination: Sales, credits, or guaranties to the Government of Ecuador under the Foreign Military Sales Act, as amended	5179
Jan. 28	Presidential Determination: News media access to certain United States military bases abroad	5181
Mar. 1	Memorandum: Delegation of functions and allocation of funds related to emergency security assistance for Israel	10417
Mar. 7	Presidential Determination: Authorization of use of up to \$10 million for a grant to the Egyptian charitable organization Wafaa wa'l Amal.	10113
Apr. 19	Presidential Determination: Authorization of security supporting assistance to Egypt for the purpose of providing assistance in clearing the Suez Canal	14693
Apr. 23	Presidential Determination: Releasing Israel from liability of up to \$1 billion to pay for defense articles and services purchased under the Foreign Military Sales Act, as amended; and extension of military sales credits	17215
May 3	Presidential Determination: Use of United States foreign assistance by non-African countries having territories in Africa	18277
May 13	Presidential Determination: Ordering of up to \$50 million in defense articles and services for military assistance to Cambodia	20583
May 16	Presidential Determination: Authorization of security supporting assistance to Egypt for the purpose of providing assistance in clearing the Suez Canal; and sale of tobacco to Egypt	19769
June 21	Presidential Determination: Authorization of security supporting assistance to Egypt for the purpose of providing assistance in clearing the Suez Canal.	24867
June 21	Presidential Determination: Authorization for use of funds for international narcotics control	24869
June 29	Presidential Determination: Releasing Israel from liability of up to \$500 million to pay for defense articles and services financed under the Emergency Security Assistance Act	26703
June 30	Presidential Determination: Authorization of security supporting assistance to Egypt for the purpose of providing assistance in clearing the Suez Canal	26705

Appendix D—Posthumous Awards of Congressional Medals of Honor

NOTE: The medals were presented to the servicemen's families in private ceremonies at the Blair House.

PRESENTED BY THE VICE PRESIDENT ON JULY 17, 1974

Lieutenant Colonel Andre G. Lucas, USA	Specialist Four Danny J. Petersen, USA
Staff Sergeant Hammett L. Bowen, Jr., USA	Private First Class Ralph E. Dias, USMC
Staff Sergeant John G. Gertsch, USA	Private First Class David F. Winder, USA
Sergeant Mitchell W. Stout, USA	

PRESENTED BY THE VICE PRESIDENT ON AUGUST 8, 1974

Major William E. Adams, USA	Staff Sergeant Robert C. Murray, USA
Captain Steven L. Bennett, USAF	Corporal Frank R. Fratellenico, USA
First Lieutenant Loren D. Hagen, USA	Specialist Four Larry G. Dahl, USA
Staff Sergeant Glenn H. English, Jr., USA	

Appendix E—Presidential Reports to the 93d Congress, Second Session

<i>Subject</i>	<i>Published</i>	<i>Sent to the Congress</i>	<i>Date of White House release</i>
Economic Stabilization Program			
8th quarterly . . . . .	. . . . .	Jan. 22	Jan. 22
9th quarterly . . . . .	. . . . .	Apr. 2	Apr. 2
Office of Alien Property (fiscal year 1972) . . . . .	. . . . .	Jan. 24	. . . .
Surgeon General (17th and 18th annual)	H. Doc. 203	Jan. 24	. . . .
Automotive Products Trade Act of 1965 (7th annual) . . . . .	. . . . .	Jan. 24	. . . .
Economic Report	H. Doc. 278	Feb. 1	Feb. 1
Corporation for Public Broadcasting (fiscal year 1973) . . . . .	. . . . .	Feb. 6	. . . .
International Economic Report (2d annual) . . . . .	. . . . .	Feb. 7	Feb. 7
Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (3d annual) . . . . .	. . . . .	Feb. 7	Feb. 7
Location of New Federal Facilities in Rural Areas (3d annual) . . . . .	. . . . .	Feb. 19	Feb. 19
Balance of payments deficit incurred under the North Atlantic Treaty			
1st quarterly . . . . .	. . . . .	Feb. 20 (H) Feb. 21 (S)	Feb. 20
2d quarterly . . . . .	. . . . .	May 16	May 16
Civil Service Commission (fiscal year 1973)	H. Doc. 218	Feb. 20 (H) Feb. 21 (S)	. . . .
Upland Cotton (2d annual) . . . . .	. . . . .	Feb. 20 (H) Feb. 21 (S)	. . . .
Cash Awards to Members of the Armed Forces and the Coast Guard (fiscal year 1973) . . . . .	. . . . .	Feb. 20 (H) Feb. 21 (S)	Feb. 20
National Endowment for the Humanities (8th annual) . . . . .	. . . . .	Feb. 22 (H) Feb. 25 (S)	Feb. 22
U.S. Arms Control and Disarmament Agency (13th annual)	H. Doc. 239	Mar. 13
National Science Foundation (23d annual)	H. Doc. 242	Mar. 18	Mar. 18

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<i>Subject</i>	<i>Published</i>	<i>Sent to the Congress</i>	<i>Date of White House release</i>
Six River Basin Commissions (fiscal year 1973) . . .	H. Doc. 281	Apr. 4	Apr. 4
New England River Basins Commission			
Great Lakes River Basin Commission			
Pacific Northwest River Basins Commission			
Ohio River Basin Commission			
Missouri River Basin Commission			
Upper Mississippi River Basin Commission			
Aeronautics and Space Report (1973)	H. Doc. 283	Apr. 8	. . . . .
National Endowment for the Arts and National Council on the Arts (fiscal year 1973) . . . . .	. . . . .	Apr. 22	Apr. 22
Manpower Report (12th annual)	H. Doc. 288	Apr. 22	. . . . .
National Credit Union Administration (4th annual) . .	. . . . .	Apr. 29	. . . . .
St. Lawrence Seaway Development Corporation (1973)	H. Doc. 296	May 6	. . . . .
U.S.-Japan Cooperative Medical Science Program under the International Health Research Act of 1960 (7th annual)	H. Doc. 295	May 6	May 6
Alaska Railroad, Operation of . . . . .	. . . . .	May 23	. . . . .
Economic Developments and Policies	H. Doc. 304	May 28	. . . . .
Coastal Zone Management (1st annual) . . . . .	. . . . .	June 4	June 4
Administration of Radiation Control for Health and Safety Act of 1968 (6th annual)	H. Doc. 316	June 4	. . . . .
Federal Railroad Safety Act of 1970 (3d annual) . . .	. . . . .	June 6	. . . . .
Federal Advisory Committees (2d annual) . . . . .	. . . . .	June 11	. . . . .
Natural Gas Pipeline Safety Act of 1968 (6th annual) .	. . . . .	June 19	June 19
International Coffee Agreement (1973) . . . . .	. . . . .	July 10	July 10
Hazardous Materials Control (4th annual) . . . . .	. . . . .	July 11	. . . . .
National Heart and Lung Advisory Council (1st annual)	H. Doc. 218	July 29	July 29
Commodity Credit Corporation (fiscal year 1973) . .	. . . . .	July 31	. . . . .
World Weather Program (6th annual) . . . . .	. . . . .	Aug. 1	Aug. 1
Urban Transportation, Joint annual report of the Secre- taries of Transportation and Housing and Urban Development	H. Doc. 328	Aug. 1	Aug. 1

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<i>Subject</i>	<i>Published</i>	<i>Sent to the Congress</i>	<i>Date of White House release</i>
Availability of Government Services to Rural Areas (4th annual)	H. Doc. 330	Aug. 7
National Advisory Council on Adult Education (fiscal year 1974)	H. Doc. 333	Aug. 8	. . . .
Trade Agreements Program (18th annual)	H. Doc. 334	Aug. 8	Aug. 8

Appendix F—Rules Governing This Publication

NOTE: The rules are reprinted from the Federal Register, vol. 37, p. 23607, dated November 4, 1972, and title 1 of the Code of Federal Regulations.

TITLE 1—GENERAL PROVISIONS

Chapter 1—Administrative Committee of the Federal Register

PART 10—PRESIDENTIAL PAPERS

SUBPART A—ANNUAL VOLUMES

Sec.

- 10.1 Publication required.
- 10.2 Coverage of prior years.
- 10.3 Scope and sources.
- 10.4 Format, indexes, and ancillaries.
- 10.5 Distribution to Government agencies.
- 10.6 Extra copies.

AUTHORITY: 44 U.S.C. 1506; sec. 6, E.O. 10530, 19 FR 2709; 3 CFR 1954-1958 Comp. p. 189.

SUBPART A—ANNUAL VOLUMES

§ 10.1 *Publication required.*

The Director of the Federal Register shall publish, at the end of each calendar year, a special edition of the FEDERAL REGISTER called the "Public Papers of the Presidents of the United States." Unless the amount of material requires otherwise, each volume shall cover one calendar year.

§ 10.2 *Coverage of prior years.*

After consulting with the National Historical Publications Commission on the need therefor, the Administrative Committee may authorize the publication of volumes of papers of the Presidents covering specified years before 1957.

§ 10.3 *Scope and sources.*

(a) The basic text of each volume shall consist of oral statements by the President or of writings subscribed by him, and selected from—

- (1) Communications to the Congress;
 - (2) Public addresses;
 - (3) Transcripts of news conferences;
 - (4) Public letters;
 - (5) Messages to heads of State;
 - (6) Statements released on miscellaneous subjects; and
 - (7) Formal executive documents promulgated in accordance with law.
- (b) In general, ancillary text, notes, and tables shall be derived from official sources.

§ 10.4 *Format, indexes, and ancillaries.*

(a) Each annual volume, divided into books whenever appropriate, shall be separately published in the binding and style that the Administrative Committee considers suitable to the dignity of the Office of the President of the United States.

(b) Each volume shall be appropriately indexed and contain appropriate ancillary information respecting significant Presidential documents not printed in full text.

§ 10.5 *Distribution to Government agencies.*

(a) The Public Papers of the Presidents of the United States shall be distributed to the following, in the quantities indicated, without charge:

(1) *Members of Congress.* Each Senator and each Member of the House of Representatives is entitled to one copy of each annual volume published during his term of office, upon his written request to the Director of the Federal Register.

(2) *Supreme Court.* The Supreme Court is entitled to 12 copies of each annual volume.

Appendix F

(3) *Executive agencies.* The head of each executive agency is entitled to one copy of each annual volume upon application to the Director.

(b) Legislative, judicial, and executive agencies of the Federal Government may obtain copies of the annual volumes, at cost, for official use, by the timely submission of a print-

ing and binding requisition to the Government Printing Office on Standard Form 1.

§ 10.6 *Extra copies.*

Each request for extra copies of the annual volumes must be addressed to the Superintendent of Documents, to be paid for by the agency or official making the request.

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